



## APPROPRIATION BILL 3 July 2001

**Mrs PENFOLD (Flinders):** Now is an opportune time to reaffirm the benefits of a free enterprise, free market system. Virtually all Australians realise that economic growth is the foundation on which each of us builds the future, and we want more of it. Our attitudes are formed not by what we already have but by what we still want. The only system of government that has been proved capable of delivering perpetually according to the rising expectations for all people, including the disadvantaged, is a free enterprise economy. In such a system, the production, distribution, pricing and consumption of goods and services are primarily determined by the choices of individuals, whether acting alone or as corporate entities. Entrepreneurship, innovation and consumer choice ensure that scarce resources are continually employed in a manner which most effectively matches the changing needs of society. Governments in richer societies such as ours ensure that a minimum standard of living is available for all their citizens, however contentious the determination of that minimum standard might be. In fact, the provision of public goods and a safety net for those who need it requires that governments have the resources that only a prosperous, market orientated economy can deliver.

One of the most interesting pieces of literature that has come across my desk is a book in support of free enterprise published by the Chamber of Commerce and Industry in Western Australia. It identified three fundamental prerequisites of a free enterprise economy which form the essential civil institutions needed to make an economy work. They are, first, freedom of contract so that individuals and businesses are unconstrained in their choices of where, when and whether to buy and sell goods and services, including labour, and in the prices at which they do so. The second is security of property rights, so that individuals are free to buy, sell and use their property as they choose. Security means that they cannot be arbitrarily deprived of their property and rights in it and that they must receive appropriate compensation if lawfully deprived (in part or in whole) of these rights. Here, property is taken in a wide sense to include not only physical property but also human property and intellectual property. I have, however, some reservations about the definition of property rights in relation to products from the sea and water and mineral resources. The third prerequisite is a legal framework which, in addition to the usual protection from fraud, threat and violence, can be trusted to defend freedom of contract and property rights impartially.

All economies which share the desirable characteristics of high living standards, relative absence of poverty and individual freedom are, to a greater or lesser extent, free enterprise economies dependent on these essential civil institutions. Conversely, all those economies characterised by relative or absolute economic difficulty—the countries of the former USSR are characteristic—lack some or all of the framework, often despite generous endowments of natural resources and human capital. Government provides the framework in which the fundamentals of a free enterprise economy are guaranteed. Government must also ensure that it maintains appropriate broad economic settings, particularly in fiscal and monetary policy, which do not stifle enterprise, investment and growth.

While some advocates of the free enterprise economy believe the state which governs least is the state which governs best, somewhere along the line compromise will be necessary. Democracies work through persuasion, and an essential problem is in persuading voters to accept a painful process described by one professional as 'creative destruction' which lies at the heart of free enterprise. Businesses rise and fall as they adapt or fail to adapt to changing circumstances. Consider how numerous farriers were at one time and how scarce they are today. A more recent example of failure to adapt would be the HIH collapse.

The most visible effect of the process of adapting is the loss of jobs. This is often a statistical illusion. The media reports the loss of hundreds of jobs, but the absorption of those workers in hundreds of other enterprises goes

unreported. Farriers may be as scarce as hens' teeth today, but mechanics abound in thousands, and many HIH employees will be absorbed by businesses similar to HIH, taking over the work made available by the collapse. Nevertheless, the notion that change inevitably involves loss of employment and loss of security is a deep-seated one. The perception would appear to differ markedly from reality.

The Australian Centre for Industrial Relations Research and Training has attributed job insecurity to workplace change resulting from labour market deregulation, outsourcing and downsizing and the growing trend to part-time temporary and contract employment. Australian labour market economist Mark Wooden found that the chance of losing a job and the average duration of employment are no different now from what they were 20 years ago. Wooden concluded that, despite widespread claims to the contrary, employment today is just as secure and stable as it was 20 years ago. His conclusion is supported by evidence from Roy Morgan Research which shows that over the past 25 years the great majority of people consistently expect unemployment to rise. That is the perception; reality proves the perception is false.

The measures of wellbeing still most commonly associated with standard of living and quality of life are real wages of employees, consumption and the disposable incomes of individuals and households. 'Real' here means figures that have been adjusted for inflation over the relative time period. Over the past 25 years real average full-time income earnings have risen by 21 per cent, real per capita household consumption by 61 per cent and growth in real per capita disposable income by 41 per cent. Growth in the volume of per capita consumption has outstripped growth in disposable income mainly because of a steady decline in household savings from 18 per cent in 1975 to 4 per cent in the year 2000. If it were true that rich countries such as Australia could secure everimproving living standards only at the cost of poor countries, then our material progress would be neither sustainable nor defensible. If this were true then poorer countries would be getting poorer and their standard of living would be decreasing. I believe this is not so.

On average, the global trend is improving. The explosion of the world's population over the past 150 years is itself I believe an effect of improving living conditions. The gap between the advanced and developing worlds is not widening. Developing economies on average are growing more quickly than advanced economies—5 per cent per year over the past 30 years as against 3 per cent per year for developed countries. In a free market economy it is possible for all countries to enjoy economic growth. This means that eliminating global poverty is achievable and that the best means of achieving it is to encourage economic growth. In fact, evidence suggests that growth in poor and rich countries is mutually reinforcing, not mutually inconsistent.

There is a sense of dissatisfaction, anxiety and alienation in part of the community which is inconsistent with this generally favourable national and international picture. One source of concern arises among those who acknowledge that the gains in material living standards are real but who argue that they were unsustainable. Against this pessimism many economists argue that we can in fact continue to raise living standards in both rich and poor countries without hitting insurmountable constraints from either lack of resources or an overburdened environment. The argument from history is simple: pessimistic predictions of collapse of resources have not eventuated. This is brought out sharply by the famously fallacious Club of Rome predictions of 1972. These predicted that world reserves of copper, gold, lead, mercury, natural gas, petroleum and silver would be exhausted by 1993.

The clarity of the pricing mechanism in a freely functioning economy means that if resources do become scarce then their price will rise, and both producers and consumers will have increasing incentives to find new alternatives. Innovators will have increasing incentives to devise those alternatives. Even the current power prices have an up side, with increasing interest and expenditure in alternative, cleaner and now more viable sources of power from wind, sun, hot rocks and waves.

The Australian reality gap is made worse by the fact that people tend to measure their own success compared with their contemporaries rather than with their own history. In western societies such as Australia this pessimism is evidenced in the large number of people who assume that the rich are getting richer while the poor are getting poorer, even when this is not in fact the case. However, expectations are ever increasing, as are the services provided by governments to meet them. A series of articles in the Australian in June 2000 highlighted this gap between the perceptions and reality. Professor Ann Harding, Director of the National Centre for Social and Economic Modelling, found among other things that from 1982 to 1996-97 those on the lowest incomes have enjoyed the fastest growth in real living standards and that nationally there was no increase in inequality.

Governments may choose to opt for isolation rather than free trade. A comparison of North and South Korea amply demonstrates the disadvantages of a closed economy and the advantages to residents of a free economy. India tried to grow industry behind high tariff walls, building industries on import substitution rather than focusing on building exports and competing with imports. They found among other things that economic development was left to the mercy

of shifting political and bureaucratic influence, and that industries created were out of date and inefficient compared with leading edge industries elsewhere. This is changing in part with the advent of satellite technology and the IT industry, with India now being called the back office of the world.

Research by the World Bank shows that economic growth is necessary for a country to escape from poverty. We can look at the past few years here in our own state. As illustrated by yesterday's export data, the Liberal government has made concerted and successful efforts to expand the economic base and lift the income of the state. This provides a sustainable and increasing income for the government to retire public sector debt, pay its bills and lift the quality of life of the residents of this state.

The World Bank also said that the evidence is that private property rights, stability and openness create a good environment for poor households to increase their production and income. Much of the push for freer trade is now coming from the world's poorest nations because it is increasingly clear that this, combined with secure property rights and a good legal framework, is their best chance to escape poverty. There is a perception amongst some people that the way to make the poor rich is to make the rich poor. The French Revolution destroyed the rich and made them poor but it did not make the poor rich.

Economic freedom is inextricably linked to political freedom, democracy and the rule of law. Free trade benefits the community at large at the cost of formally protected interests, which is why governments characterised by patronage and cronyism tend to be protectionist and interventionist. In Australia, as in most developed and many developing economies, tighter environmental standards are proceeding hand in hand with openness to foreign trade. A free market economy underpinned by law and respect for property rights provides the environment most conducive to a high and rising quality of life in all senses of the term. Innovation and cooperation will continue to deliver improvements in living standards without unsustainable pressure on scarce resources and the environment.

It is my belief that only Liberal governments, both state and federal, can ensure that we can continue to deliver these improving living standards to the people of our state that have previously been threatened by the huge debt levels left by recent Labor governments.

## **APPROPRIATION BILL**

### **5 June 2001**

Mrs PENFOLD (Flinders): It is salutary to pause occasionally and reflect on the achievements that have brought us to where we are as a state. Debate on the state budget gives us this opportunity. Once an itch has been scratched, it is forgotten. So it often is with achievements. The past year has seen South Australia rise to a AA+ credit rating in financial markets due to the retiring of some of the massive debt that the Liberal government inherited from Labor.

To put that in terms that everyone can understand, I indicate that, after Labor's financial disasters, South Australia was in debt to the tune of \$6 416 for every man, woman and child in the state. That figure has been reduced to just \$ 2006, or 7 per cent of the gross state product, compared with a crippling 27 per cent under Labor. Additionally, \$1.2 billion has been paid off the unfunded public sector superannuation liability which stood at \$3.73 billion at 30 June 1993. This burgeoning liability was a millstone around the necks of South Australians, a millstone that would only get heavier and more crippling with the passage of time.

The Liberal government's responsible financial management is turning around that situation. The government has a policy to fund accruing new service superannuation liabilities each year and has done so since 1994-95. This is in addition to providing funding towards meeting the superannuation liabilities accrued—and unfunded—as at 30 June 1994. Superannuants expect to receive their superannuation entitlements. Yet the situation that Labor oversaw was one that could have grown to the point where the state could not pay entitlements.

Moving towards fully funded superannuation is just one of the many responsible acts of the Liberal government in paying off the debts that surfaced at every turn—like the 14 million CFS debt inherited by this government. Along with the retirement of debt, the Liberal government has kept down taxes and charges. South Australia is expected to remain the third lowest of the states in terms of tax revenue per capita in 2000-01. Seniors in our community have been recognised with the allocation of \$7.7 million to increase concession payments on local government rates for pensioners, lifting the ceiling from \$150 to \$190. For the first time, concessions of \$100 will be provided to seniors and

self-funded retirees. Workers compensation premiums for small businesses in South Australia are much lower than in Labor states.

A business presentation in Melbourne in March coincided with the announcement that South Australia's economy grew against the national trends and that South Australian WorkCover levies were cut again, also against national trends, saving South Australian businesses \$86 million. Business confidence has increased as a result of the state government's good financial management. Small businesses will be pleased that there is payroll tax relief in the 2001 budget with the tax rate falling from 1 July this year. In addition, the threshold has been increased, so fewer businesses will have to pay this tax on jobs at all. Hopefully, it can be abolished altogether over the next few years.

There are ten hospitals in my electorate. They are an essential part of a community. They are one of the means of retaining a doctor in a district and therefore the people. Since being elected in December 1993, the government has poured almost \$24 million into the redevelopment of the Port Lincoln regional hospital and the Ceduna hospital. All of the other eight have had upgrades of some kind. Again, this reflects the parlous state of the hospital system which was in urgent need of capital investment and replacement of outdated machines when the Liberal government came to office.

Better equipment means that residents in my electorate can access care without the financial cost of travelling to Adelaide or the greater cost of relocating to Adelaide. Human Services Minister, Dean Brown, earlier this year allocated additional funding to Port Lincoln health services to support home dialysis. The funds were the government's response to a priority need identified in a review of country renal services.

Eyre Regional Health Services will spend more than \$23 million this financial year on a combination of acute, community health and aged care services. The year's increase of more than \$500 000 addresses waiting times experienced by orthopaedic and ophthalmology patients at the Port Lincoln hospital; ear, nose and throat surgery at the Ceduna hospital; renal disease at Port Lincoln and Ceduna; mental health services; and staff recruitment and retention. Extra funding has also been allocated to further reduce dental waiting lists.

I commend the cooperation of Transport SA (under Minister Di Laidlaw), the federal government and the state government for developing emergency airstrips along the Eyre Highway. The emergency landing places make use of the sealed roadway as part of the runway thus allowing an efficient use of funds. The Eyre Highway is the main road across Australia from west to east. Therefore, these runways are an essential component of protection for the travelling public.

The Liberal government believes that rural people deserve the same access to health services as those who live in the metropolis. The government introduced mobile breast screening units which have greatly assisted in reducing the death rate in 50 to 69 year old women by 20 per cent and by 10 per cent in older women. Mobile breast screening units to give country women the protection that this preventative measure affords was one of my platforms when I was first elected. This is another area that was neglected by Labor.

Under the Liberal government, record numbers of people are now being admitted to public hospitals, more people are being treated in emergency departments and more people receive outpatient services, yet this is not the picture that the media and the opposition give to the public. Admissions to public hospitals have increased by about 24 per cent in the past six years. The number of people treated in emergency departments is up by around 20 per cent and outpatient attendances have increased by about 13 per cent. This increase in the number of people going through the public health system, coupled with the government's increased spending in the health sector, recognises that quality of life at all ages is important, including the quality of life of the seniors in our community. That is why this government has the number of approved aged places in South Australia at its highest ever level at 14 000 places.

Australia is entering the period predicted by statistics several decades ago where the demand for aged-care places in nursing homes and hospitals will increase substantially. Labor governments did not look to the future, hence individuals and families are put under stress when waiting for a placement. I take this opportunity to praise the work being done in this field of aged care in my electorate. We have 10 centres where aged care is available covering independent hostel accommodation to full nursing care. Additionally, many people remain in their homes supported by a range of community care projects.

In fact, the government has recently approved 707 new community aged-care packages to assist more elderly people to remain in their home by providing the necessary supports. This budget gives aged care a boost with \$1.2 million in new aged-care facilities at Tumby Bay Hospital and \$900 000 for aged-care facilities at the Cummins Hospital, a grand

total of \$2.1 million for 20 new beds, plus supporting facilities. Education is another itch where misleading and inaccurate information could deceive the public. Unfortunately, the chief effect of this misinformation is to denigrate the work being done in our schools and tertiary institutions—in fact, over the whole range of education and training institutions.

The Liberal government has increased spending in this portfolio by more than 25 per cent since it came to office. That is a somewhat different story to that which the Education Union, the South Australian branch in particular, puts out and which Labor Party members, who must know that the union stance is incorrect, support. On the school front in Flinders, Cleve Pre-School, Wudinna Area School and Kirton Point and Port Lincoln primary schools have received additional funds in the budget to continue upgrading programs in those schools. My long awaited Ceduna Area School has an initial amount of \$250 000 for planning of the first stage of its redevelopment, with a promise of \$5 million for work to start next year on replacing some facilities and redeveloping or upgrading others.

In this budget, \$2.5 million has been allocated to target a drug education program in schools across the state over the next four years. The amount spent per student in South Australia has increased to \$6 187. Retention rates have increased to 64.8 per cent, which rises to 74.9 per cent when part-time student enrolments are included. Figures from the Australian Bureau of Statistics do not include part-time students and the Democrats, the ALP and the teachers' union also conveniently ignore them. It is unfair to the young people of South Australia for Labor and its federal leader to keep labelling our part-time students as 'drop-outs' when this is obviously not the case.

Australian Bureau of Statistics data puts South Australia's student-teacher ratio at 14:8, better than the national average of 14:9, and the ratio for non-government schools at 15:4. South Australia has the best secondary student-teacher ratio of all mainland states and a better primary student-teacher ratio than New South Wales, Victoria, Western Australia and the Australian Capital Territory. Personally, I am excited about the extra advantages that this government has provided for people in my electorate. The Lincoln Marine Science Centre, a division of the Flinders University, was established only six years ago but has already undergone several expansions in that time.

The centre, in conjunction with the local TAFE campus, provides a variety of tertiary courses that can be accessed by the general public. These tertiary institutions are attracting overseas students—a trend that is likely to increase in the future. Capital works and maintenance expenditure is also significantly higher than the Labor government's. The increase in the last financial year was substantial. I am certainly noticing the change in my electorate. Partnerships 21 is providing flexibility and funding that schools have not enjoyed previously. Access to special events and training is costly for country students and often prevents their participating.

Elliston Area School has adopted the policy of supporting students who achieve at a state level and who, without that support, would be unable to develop to their fullest potential. The support is for academic, sporting or other achievements. I also commend the Hon. Malcolm Buckby (Minister for Education and Children's Services) on the incentives his department provides to attract high quality teachers to country areas.

Roads were more of a sore than an itch in rural regions. I am proud that the Liberal government has reduced that sore to an itch in my electorate. We have had more action on roads than at any previous comparable period. People living on what was the longest unsealed arterial road in the state, the Lock-Elliston Road—and one that I understand the Labor Party said it would never seal—are pleased to hear that \$1.75 million has been allocated for the continuation of the sealing program. This equates to another 15 kilometres with only a further 20 kilometres to complete the seal at a cost of just over \$100 000 per kilometre. This is in addition to the funding to continue the widening of the Lincoln Highway.

These successes have encouraged people to look at what can be done in their district and this has brought about extensive lobbying. As a result, \$100 000 was allocated to the Lipson-Ungarra Road as part of the special state black spot allocation, with a further \$455 000 being contributed by the local community and District Council of Tumby Bay. I am continuing to lobby for special local roads funding for this road in the next allocation. The Bratten Way, which links Cummins with Mount Hope, received \$456 000 which, again, was matched by the Lower Eyre Peninsula District Council. Another allocation from the minister's local roads initiative has been requested. Local roads are not normally a state responsibility but the minister has recognised their importance with this funding.

I am pleased that my lobbying for unemployed people to gain concessions on country bus services has been successful. Until now, these concessions have applied only to metropolitan buses. Country bus operators will be pleased also that the government will abolish the route licence fees that traditionally have been paid by country

operators. My thanks go to the minister, Diana Laidlaw, for listening.

With a coastline longer than Tasmania, anything connected with the sea has implications for my electorate. The state government's program of handing jetties to local government for the benefit of the community is proceeding. The upgrading of the Elliston jetty (at a cost of \$125 000) and the Port Lincoln jetty (\$455 000) has been completed. Mount Dutton Bay jetty is to be upgraded this financial year. Boat ramps and navigation beacons around Eyre Peninsula have been funded by the boating facilities levy.

In this budget, another \$1 million has been provided for fisheries compliance, and I am hopeful that more officers will be allocated to Eyre Peninsula. I believe that expansion of staff is appropriate to cope with the extra work generated by the success of the aquaculture and fishery industries in my electorate. A new offshore patrol vessel is to be purchased which I am sure will be seen in Eyre Peninsula waters.

The state government has a proven record of care for the environment and much of this work is done without fanfare or publicity. One instance is the \$300 000 provided for the installation of waste water treatment systems at three coastal centres, including Port Lincoln, to treat the recycle run-off water from the town's boat yards and slipways. In this budget, householders who switch to solar-powered hot water systems will receive a \$700 rebate. This rebate will apply to new and existing homes where owners decide to replace a gas or electricity powered system with a solar system.

The Liberal government has been adding to the state's national parks and reserves, which are a recreational and environmental resource for the people of South Australia as well as for the visitors who come especially to enjoy these places. Gawler Ranges Park is one of these areas. Good news for this park's supporters is the \$200 000 to establish visitor infrastructure and services in the park.

The Liberal government is deeply indebted to and appreciative of all volunteers and the work they do in improving the safety and quality of life for all South Australians. An office for volunteers will be established and will operate in the same way as the Office for the Ageing and the Office for the Status of Women.

The Flinders electorate has so many success stories that it is difficult to choose. The South Australian Seahorse Marine Services, pioneered by Tracy and David Warland, is the only seahorse farm on mainland Australia. This business now exports to several overseas countries. Gawler Ranges Safaris (principals Geoff and Mick Scholz) operating out of Wudinna and Ocean Eco Tours (principals Alan and Trish Payne), based at Bairds Bay, are two tourism businesses that are attracting international renown.

These success stores are helped by the Liberal government's positive financial management that has brought back hope, optimism and initiative to the people of South Australia, particularly those who live in the regions. Tourism gets an injection of funding in this budget with various infrastructure projects to be developed, including \$800 000 for the Head of the Bight—a site that is internationally renowned as one of the best Southern Right Whale viewing areas in the world.

The government has committed almost \$50 million extra towards industry development. These include tourism infrastructure of \$5.1 million, and \$2 million to the Farmed Seafood Development. In addition, \$632 000 has been allocated to a new innovation and entrepreneurs program aimed at raising awareness about the importance of innovation. The Regional Development Infrastructure Fund receives \$15.5 million, while the regional development boards get an injection of \$500 000. The FarmBiz Program is set to continue with \$24 million funding over the next three years from the state and federal governments.

Premier Olsen, during the May cabinet meeting at Cummins on Eyre Peninsula, acknowledged that regional and rural South Australia generates two thirds of the state's export income and a quarter of the manufacturing turnover. The Liberal government's strong emphasis on regional South Australia is reaping dividends for the whole state. The recent announcement of the establishment of a Services SA shop in Port Lincoln will be enhanced by the development of federal government rural transaction centres. The Coffin Bay Progress Association is holding a public meeting to begin planning an application for a transaction centre there. Wudinna and Elliston are also assessing this opportunity.

Sporting clubs will benefit from an additional \$17 million over the next three years to ensure that all communities have an opportunity for participation with the provision of adequate facilities. I am particularly proud that the electorate of Eyre Peninsula is a key contributor to the state's recovery and future. With only 2.3 per cent of the state's population we produce 60 per cent of the state's seafood and 40 per cent of the grain, with 93 per cent of these products being exported. The government's policy has been to encourage diversification of the state's economic base. This policy is

now starting to produce results. Sustainable agriculture and sustainable fishing and seafood industries ensure that these industries will not only continue but also will grow into the future.

I am excited that sustainable power generation in the form of wind farming is coming on stream. This is another segment of the platform I worked on prior to and since being elected. I can foresee unlimited possibilities for the development and use of sustainable energy, especially in the viability for water desalination to provide a reliable water supply in my electorate. I acknowledge the millions of dollars the Liberal government has put into the upgrading of ETSA infrastructure prior to the lease sale of the utility. Again we inherited out-of-date infrastructure on which maintenance has been neglected. The rise in electricity consumption both in my electorate and across the state is being met.

Time expired.

## **Appropriation Bill** **30 May 2000**

**Mrs PENFOLD (Flinders):** It gives me great pleasure to stand in support of this Appropriation Bill, which begins to show the benefits that will gradually become available now that the hard decisions are being made and the debt is being reduced. The budget reductions in the emergency services levy encapsulate the benefits that can flow from at last bringing the debt under control. The emergency services have developed over more than 50 years into the professional groups that we have today to protect us in times of fire, natural disaster or accident. Most of the participants are volunteers, with few paid staff in country areas.

The metropolitan area has always had a paid fire brigade, so urban residents may not have been so aware of the role that volunteers play in keeping our community safe in the country areas. However, country people certainly are. They not only give their time and skills to the local Country Fire Service or state emergency services group but they also fundraise to buy equipment and undertake training.

There have been more than five inquiries over the past quarter of a century into the funding and administration of emergency services. The Liberal government has acted in contrast with the procrastination of past governments. Those who have criticised the emergency services levy have forgotten a few salient points. One way or another, all taxpayers in South Australia have always contributed towards the cost of emergency services. Emergency services personnel support the levy; they are the people who put their lives on the line for the rest of the community. We all hope that we will never need to use any of the emergency services but I guarantee that, if such a time should come when we need them, each of us wants the best possible service.

As with any new arrangements of this magnitude, amendments were anticipated. The government listened and acted on submissions where an alternative was proposed to overcome what was seen as an anomaly. Concessions on the real estate component of the levy were given for retirees; the levy on vintage vehicles was reduced; and contiguous farming properties in the same country districts were treated as one property.

Now the government has announced reductions in the direct cost component of the levy. In my electorate, of particular interest is the removal of the levy from trailers, caravans and recreational boats; those who have lobbied for this change will be delighted. Those who supported the RAA petition will be pleased that the vehicle levy has been reduced from \$32 to \$24 and, coupled with the removal of the levy from recreational boats, trailers and caravans, this is a significant reduction.

The payment of the one fixed \$50 fee now applies to non-adjointing (non-contiguous) farms in adjoining council districts. Reductions of about 30 per cent on the variable levy rate on houses and vacant land, and about 20 per cent on commercial properties, will apply. A new special low level category has been effectively created that will provide major concessions to groups such as hospitals, community halls, churches and properties used for charitable purposes. This reduction covers an area that has concerned many of my constituents. As several have said, the community paid to build many of the halls, some of which are now seldom used, and continue to pay for their maintenance. Those same people voluntarily man the emergency services.

A high proportion of retirees reside in my electorate, and the concession on the real estate component of the levy to include self-funded retiree couples, where one partner is under 60 years and working less than 20 hours a week, is

welcomed. Previously both people needed to be aged over 60.

Other benefits for property owners in rural pastoral areas include the fixed \$50 fee on properties in unincorporated pastoral areas (region area 3) which has been removed. No levy applies to properties with a capital value of less than \$1000 in regional areas 2 (this includes council districts outside of towns with populations over 3000) in regional area 3. Although regional area 3 is not in my electorate I deal with quite a lot of the difficulties that are encountered by the people who live there. Their levy accounts of less than \$20 on properties in regional area 3 will not be issued.

It is a pity, in my mind, that the spoiling tactics and activities of the Labor Party stopped the lease of ETSA so that we could have sold it sooner and more efficiently and then, perhaps, we would have made another \$500 million to \$1 billion more and saved many more millions in interest each year which we could have put in to these areas.

However, the time is now appropriate to review where South Australia is placed. The back of the horrendous state debt has been broken, the state is being positioned for the 21st century, employment and population are increasing, innovative development is occurring, environmental problems are being tackled and rural and regional South Australia are an integral part of the progress that is happening. Compare this with the situation when the Liberal government came to office in December 1993 following more than a decade of Labor rule. State revenues could not meet the interest payments on the debt, let alone reduce the capital. There was no plan for the future, employment and population were falling, development had stagnated, environmental problems were talked about but action was missing and rural and regional South Australia were neglected. Even the superannuation fund was completely unfunded.

The Liberal government's achievements in turning around the finances of this state should always be at the forefront of everybody's thinking. I commend elected members of parliament in both houses who put South Australia and South Australians first when voting for change. It takes time for the effective financial improvement to get down to programs and projects. We see some of the positive improvements in the state's finances in this budget. More will come to South Australia in the years ahead.

The Liberal government's spending on hospitals has increased by 45 per cent over the past five years. Our rural communities have benefited from upgraded hospitals and new state-of-the-art equipment. Some of the government's initiatives to attract general practitioners to rural areas include the rural health education scholarships, an undergraduate support program for rural students to complete their study. The scholarships are \$5 000 per year for three years and require students to work in a rural area for a time equivalent to that for which they receive the funding. There is also the Rural Health Training Unit, which was established in 1996 to fund and support initiatives such as emergency medical update courses for rural GPs and locums, and there is the formation of rural clubs at universities and special programs to assist country high school students who plan to take up medicine as a career.

The rural health enhancement package has recognised the extra roles that rural GPs play in their communities and provides significant financial reward to country practitioners, at a total annual cost of \$6.5 million. The sound financial management of the Liberal government has enabled the system to expand dramatically on the one that we inherited. Along with all this, the government has looked at implementing change to cope with the 21st century, where older people will make up a significantly higher proportion of the population than in the past. This, in turn, will impact on the health services because of the increased call on them.

We live in a world where change is quicker and more frequent than at any time in history. The Liberal government has adapted to those changes and the challenges they throw up. Nowhere is this more sharply shown than in the decision over the future of ETSA. Supplying power in a deregulated market is a very different proposition from the state run, privately owned power stations of the past. Just as the late Tom Playford embraced the necessity for state-owned power generation, so the current government recognised the need to remove the government from the financial risk in a deregulated power market. This is just one example of the forward thinking of the Liberal government, compared with the backwardness of the Labor Party.

Positioning South Australia for the 21st century means acknowledging that the world is now a global village with a global economy. International marketing trends are becoming more important than state or national trends. This means that the regions in this state are not competing with each other but with similar regions in the other continents of the world. The lowering of trade barriers has brought with it a growth in the global marketplace and therefore globally integrated operations.

The Liberal government's success in at last getting the Adelaide-Darwin rail link on its way to completion will position South Australia to take advantage of this change. Our primary producers and our manufacturers can use this link to

access Asian markets quickly and effectively. The link will also impact positively on a fast growing commodity in the economy, namely, tourism. A train journey through the centre of Australia with side visits to significant sites is a tourist attraction that can be sold on the world market. We have plenty to offer tourists at the end of such a ride: pristine wilderness in the Gawler Ranges; eco-tour experiences, such as swimming with the dolphins in the wild; our world renowned wine producing districts; sailing in the Spencer Gulf; and our top class food, including, of course, our seafood.

The transformation in the global economy is being driven by developments in information and communications technology, which are removing many of the traditional barriers imposed by distance. For the island nation of Australia this is good news, because we have suffered in the past through the tyranny of distance. The Liberal government has placed South Australia well in this new communications age. We have recognised the change in the way much business is conducted and have been successful in making this state the communications hub. This is one of the positive actions of our government that has altered South Australia from a Cinderella state to becoming a national leader.

All of this has meant that people are now more hopeful of finding paid employment. South Australia now has more people employed than ever before. The total number in jobs, 678 100, represents a 7.1 per cent increase since 1993. The unemployment rate in March was 7.9 per cent, on a seasonally adjusted basis, compared with 12.3 per cent, under Mike Rann when Minister for Employment, and now Leader of the Opposition. Under Mr Rann, teenage unemployment peaked at around 40 per cent. The number of unemployed South Australians actually grew by almost 35 000 while Mr Rann was in charge.

Under the Liberal government employment has increased for 21 consecutive months. The whole of Australia now sees the state as a place to come to for work, for challenge, and simply as the best place to live. This has seen the population increase for the first time for many years. This is an achievement that makes the present government very proud indeed. We look forward to continued growth in the future.

Renewed confidence in innovative development is a response to the Liberal government's overhauling of systems, infrastructure and bureaucracy. The expansion in the aquaculture industry is just one example of growth. People know that under a Liberal Government their labour will be rewarded. This is evident in the Port Lincoln based South Australian Seahorse Marine Services, whose principals, Tracy and David Warland, have been researching the breeding of seahorses for several years. We were all greatly excited when the company secured its first export order to Japan a few days ago. The work that this company has done has the potential to conserve seahorses world wide. That is a good point to lead into the environment.

The Liberal Government has done more for the environment and to overcome past neglect than has any previous government. Catchment systems in the Adelaide Hills and metropolitan areas are being restored. The Patawalonga at Glenelg is being treated, compared with promises in the past but with little or no action.

I am, of course, more concerned with rural South Australia. I have always been proud of the work done by farmers in overcoming land degradation. The work being done on repairing salinisation of land in my electorate on Eyre Peninsula has attracted national interest. Officers of Primary Industries Research South Australia (PIRSA) are congratulated for their part in these programs that have been so successful.

The South Australian Liberal Government has spotlighted the adverse state of the Murray River and has initiated action to protect and improve the state's water lifeline. It is a feat of considerable significance to get the federal and three eastern states governments to admit the extreme nature of the problem and to get their support. The federal Minister for the Environment, the Hon. Senator Robert Hill, is commended for his strong action on this issue.

The environment is of particular significance in my electorate of Flinders where the major proportion of the state's aquaculture is situated. We are jealous of our clean green environment and the edge it gives producers in national and international markets. We also boast pristine wilderness areas that are becoming a mecca for tourists. I am constantly aware of the advantages for rural and regional South Australia of having a Liberal government in office. The government has a plan to seal all rural arterial roads by 2004 and is implementing a program to seal rural roads of economic importance. Eyre Peninsula has been especially disadvantaged in the past. We are relishing the sealed road between Kimba and Cleve and look forward to the completion of the Lock-Elliston road. These two roads are used by many tourists and visitors who appreciate what the present government is doing, not to mention the locals.

An Office of Regional Development has been set up to assist development in rural regions and to guide clients through

the bureaucracy. The Regional Development Council, established to give rural South Australians a direct say on issues affecting them, works with the Office of Regional Development. The council investigates the challenges facing rural and regional communities, including infrastructure developments, planning processes, regional promotion, educational and health services, and information technology and communications. The council has picked up on recommendations made by the regional task force, some of which have already been implemented. The Regional Development Issues Group was created to complement the work of the council and the office and to involve senior government officials with the authority to commit their agencies to action.

One of the themes that came to the task force as it held meetings across the state was that the frustration of dealing with a number of agencies over the same issue was a major hurdle to development in the regions. Many in rural South Australia are going through an extremely difficult time due to many circumstances, including the low price of commodities on the world market, but there is no doubt that rural and regional South Australia is in better shape under this Liberal Government.

To mention a few of the opportunities in my own electorate of Flinders that have been put forward by this government, it is a pleasure to note that PIRSA and AGSO collaborated in a geoscience program on the Gawler Craton, and that is to get \$240 000 and hopefully will add to the many jobs that will come through Yumberra and other Gawler Craton anomalies.

Of the 72 kilometre length of the Lock to Elliston road, which I previously mentioned, a further 11.75 kilometres will be sealed at a cost of \$1.5 million under this budget, which will leave only 30.5 kilometres to be sealed by June 2004. The Dutton Bay jetty is about to be upgraded, which is just one of 16 jetties that are being upgraded within my electorate. New crossings are being installed at the Elliston Area School, the Cleve Area School and the Port Kenny Primary School. A new pre-school is being established at Cleve with funding of \$590 000 and the Kirton Point Primary School will receive \$550 000 for a new administration and library resource centre.

In respect of the arts, it is particularly pleasing to receive \$80 000 for the subscription season. We have not been on the touring company program in the past because our civic hall was not up to occupational health and safety standards. However, within the next six months we will at last have a hall suitable for the touring program, and it was pleasing to receive that funding. In addition, two additional police have located to the region. From 130 police officer positions to be funded in this year's budget, one will be at Port Lincoln and another at Ceduna.

With respect to emergency services, the Port Lincoln office will receive a new \$400 000 pumper and Wudinna SES will receive a state emergency rescue vehicle worth approximately \$70 000. Yesterday I was pleased to try on the new uniform which the CFS is receiving and which costs \$1 000. Those CFS members believe that the uniforms will make a big difference to their safety in the workplace. It is my pleasure to support the bill.

## **Appropriation Bill 2 June 1999**

**Mrs PENFOLD (Flinders):** It is my pleasure to be part of a State Government that is progressive and positive. Employment is usually accepted as a key indicator of economic health, and the unemployment rate in South Australia has fallen to 8.3 per cent. The Australian Bureau of Statistics trend figures are used as an indicator of the strength of the labour force. Recent figures show that unemployment in the State has dropped for the ninth consecutive month, while the number of people in full-time employment has risen for the eleventh month in a row. In fact, the latest ABS labour force survey results give the long-term employment figure as 658 900 people in work in this State—the highest number ever.

All this is good news: it is news that every person in South Australia should be familiar with, yet many have never heard it. The Government has supported sustainable development both to create employment and to bring revenue to the State. The tuna industry is an example. Port Lincoln tuna fishermen were the first in the world, as far as I know, to push for catch limits on southern bluefin tuna. The late Bill Haldane, who was a pioneer in the industry, worked for many years to get recognition of the pointers that indicated a resource under threat. His work, and the work of others in the industry, eventually led to the tripartite agreement between New Zealand, Japan and Australia on catch quotas. This work was being done years before environmentalists such as those who support Greenpeace jumped on the bandwagon. Of course, these three nations are not the only nations in the world that fish for southern bluefin tuna.

Australia has honoured its obligations under these agreements. Those who express concern about our environment and who are opposed to tuna farming would gain support by acknowledging the positive efforts of the tuna fishery in this State to conserve southern bluefin tuna. Tuna farming is a progression of those efforts. The ultimate aim is to get tuna to breed in captivity so that the preservation of the resource is assured. Much of the criticism of the industry in recent weeks has been erroneous and undeserved. One reaction could be to ignore all criticism; however, it is to the industry's credit that decision makers have not gone down this road. Instead, the industry itself is taking steps to overcome identified problems. When people work together in a cooperative and conciliatory manner, problems can be overcome. That is what is happening in the tuna industry. Because of public disapproval earlier this year of tuna farms sited near Rabbit Island, Eyre Regional Development Board and Port Lincoln City Council moved to have a briefing forum where participants could present their views. The intention was to provide the board, the council and other interested parties with a better understanding and appreciation of the various issues. The organisers went out of their way to have representation from the Conservation Council of South Australia, but to no avail. Assistance with costs, telephone link-ups and teleconferencing were all refused. This is extremely disappointing, considering the Conservation Council's active objections not only to tuna farming but to all aquaculture.

If we are to feed the population of the world in the future, aquaculture will be part of the solution. I cannot understand why the Conservation Council and others would not be encouraging the leading edge research that is being done at Port Lincoln. I can only assume that they care not about finding solutions but about preventing others who do care. I am both pleased and sad that Port Lincoln has the only operational fish cannery in Australia. I am sad because it reflects the downturn of the industry in other States but I am pleased because it is one more indication of the entrepreneurial business spirit in my electorate.

The managers and directors of Port Lincoln Tuna Processors have been developing alternative products and markets for many years. John West's range of Tuna Tempters that we find on supermarket shelves was researched and developed in Port Lincoln. I pay tribute to the enterprise and initiative of Lindsay Guillot. Lindsay designed the tempters in his own kitchen in the factory at Port Lincoln. Port Lincoln Tuna Processors has recently been awarded the 1999 Port Lincoln Chamber of Commerce Business Excellence Award. Congratulations also go to Tony's Tuna International Pty Ltd, which won an award in the seafood section of the 1998 Premier's Food and Fabric Awards. Tony Santic has world leading edge technology in his new factory, which is also located in Port Lincoln. Port Lincoln is the premier fishing port in Australia: we constantly receive a stream of surprise compliments from visitors who enjoy the variety and freshness of the local product. I believe it is very unusual for one location to have such variety: tuna, prawns, crayfish, abalone, shark, mussels, oysters and a large variety of fin fish are to be found in the region. Therefore, it is no surprise that aquaculture is expanding not only in Port Lincoln but at appropriate points along the electorate's coastline, which is longer than that of Tasmania.

The years of experimentation and research are paying off in viable industries, in more money circulating in businesses and in employment. In addition to tuna, oysters, abalone, muscles, barramundi, yabbies, sea horses and snapper are the principal aquaculture industries, with lateral thinkers putting more on the drawing board all the time. Zippel Enterprises at Smoky Bay was awarded the 1999 Aquaculture Product Supplier of the Year at the annual South Australian Fishing and Seafood Industry Awards for its oysters. Hubert and Margaret Hurrell of Miniribbie Yabbie Farm were awarded the Seaqual Award for excellence in seafood quality in the 1999 South Australian Fishing and Seafood Industry awards—the first aquaculture operation in South Australia to be accredited to the SQF2000 quality code. Jethro Grocke of Elliston is the 1998 Fishing Industry Pathway Student of the Year—the most outstanding secondary student at the Australian Fisheries Academy.

Just as few in South Australia are aware of our fishing industries, so also are few in South Australia aware that farmers on Eyre Peninsula lead the nation—and, indeed, the world—in certain areas. Awards are one way of measuring success amongst peers, and it has been a pleasure to hear of the successes that have come to Eyre Peninsula recently from farming expertise. Bryan Trigg and staff, of Trigg Rural Supplies of Cleve, were awarded the 1998 Combined Rural Traders National Member of the Year. Neville and Ann Starke of Cummins won the 1999 AgroEvo/Australian Wheat Board National Wheat Cropping award. Matthew and Mignon Dunn of Rudall won the APW category in the 1999 AgroEvo/Australian Wheat Board Golden Grower National Wheat Cropping award. Trevor and Kerri Cliff of Kimba were divisional winners in the 1999 AgroEvo/Australian Wheat Board Golden Grower National Wheat Cropping award. Kingsley Macdonald of White Flat won the SACBH Young Rural Achiever of the Year award. Many of these winners receive overseas tours to look at work similar to their own

that is being done in other countries.

The success of programs under Landcare is recognised across Australia. It is exciting to see bare areas of salt scald covered with vegetation and to see trees and shrubs growing on land that had been too salty to support any plant growth. I commend the support given by the Government to primary industry, notably through the field staff of the Department for Primary Industries and the Agricultural Bureau. Farmers who have moved interstate say that one thing they miss is the field support provided by the department.

Roads and airports are an important component of country life: it is not too sensational to say that they can mean the difference between life and death when accessing medical attention. Indeed, it was the death of a young mother through the lack of a landing field for the flying doctor that mobilised the Elliston community into building its own airport. One of the early functions of Dean Brown and me was opening the airport, which was built mainly by volunteers and which was supported by a \$50 000 State Government grant to help with lighting. When Don Starke, the former Chairman of the District Council of Elliston, retired in December, he remembered the event as an outstanding one in his long and successful term. He would be delighted to know that the recent budget has provided \$1.5 million for the continuation of the sealing of the Lock to Elliston road. The longest unsealed regional arterial road in South Australia, and one that many believed would never be sealed, will now reach its halfway point. The second longest road in South Australia to be unsealed, between Kimba and Cleve, has funding to be completed all but the final seal. I have the highest praise for the Minister for Transport, Hon. Diana Laidlaw, for her willingness to provide funding to seal and upgrade rural roads, which shows the commitment of the Liberal Government to rural South Australia.

Education has been lifted under the Liberal Government. This is another positive story, of which the majority of South Australians are unaware. More is spent on education now than in the last budget of the Labor Government. However, the funds are spent differently. In this budget, \$1.8 million has been allocated to capital works alone in my electorate, with \$500 000 allocated to the Cleve kindergarten for relocation, \$350 000 for the Kimba Area School library and resource centre, \$650 000 for the administration area library resource centre at Kirton Point and \$300 000 for the redevelopment of the administration, library resource centre and computer suite at the Port Lincoln Primary School. Buildings and equipment are as necessary as teacher numbers: both are needed for students to achieve the best possible outcomes from schooling. Putting money into maintenance and upgrading has seen the introduction of computers into schools, along with the emphasis on information technology and the Internet, so that students are prepared for the world of today. The use of technology is overcoming the tyranny of distance that has disadvantaged rural students of the past. Karcultaby Area School student Danika Fromm, who studied by Open Access, achieved a 92 per cent tertiary entrance score last year.