



This speech is only part way through. Debate adjourned when sitting was suspended at 1pm.

Desalination Projects 13 September 2007

Mrs PENFOLD (Flinders): I move:

That this house condemns the state government for spending \$48.6 million to pipe 1.4 gigalitres of water from the River Murray to Eyre Peninsula, rather than investing in water initiatives and encouraging private investment into water solutions that will benefit all South Australians.

I am often accused of being too passionate, with a capital 'P', and I know this irritates some people. No-one in this chamber would be in any doubt that my passion is my electorate of Flinders, and promoting our value to the rest of the state and beyond. This wonderful state and Eyre Peninsula are only being hampered by the short-sightedness of our leaders and people who are in a position to make decisions to truly make a difference. We were broke as a state in 1993 when I came into parliament, not even able to pay the interest on our state debt from its income. Now the debt is largely paid off, there is money from GST, the world wants our minerals and it is willing to pay the price. All we need is infrastructure, particularly power and water, but the Labor government is hung up on private enterprise and borrowing, so it will not allow business to invest in infrastructure, nor will it borrow to do the construction itself, resulting in a huge loss of opportunities for South Australia.

Much to my amazement, the only infrastructure PPPs this government is investing in or allowing are non-income earning assets such as pipelines to Eyre Peninsula for \$48.6 million, police stations and courts. These projects produce no return on investment to pay off the debts and should be left until the engine room of the economy is producing profits to pay for them, and this they will do much better if they have the necessary infrastructure.

The Premier yesterday attempted to ridicule the Leader of the Opposition about the desalination announcement made by the former leader months ago. I am not a mathematician, but I think the Premier might have his sums incorrect, particularly when you consider the delays in getting the project going, adding to the costs, and the government's reluctance not to tender with private enterprise, which can build much better and more quickly than can the government. The Premier stated that costings were actually five times the \$450 million suggested by the opposition. My maths say that five times \$450 million is \$2.25 billion, and the Premier's price stated yesterday is \$1.4 billion, so what is the additional \$850 million in the Premier's costing? A BOO or BOOT project would have seen the desalination plant for Adelaide almost running by now and, if the Penrice salt flats and wind energy were used, no waste would be going out to sea or greenhouse gases being emitted from the coal-fired power. The 95 per cent dividend the government is presently taking from its wholly owned SA Water, plus taxes, put \$300 million back into state coffers last year—money which could have in one year gone a long way to paying for the desalination plant and which should have been put back into water infrastructure and not into general revenue. I cannot understand why the people who pay this money are not angry about this misuse and the threat to charge higher water rates to pay for the desalination plant, particularly when they have effectively already paid for it.

A proposed desalination plant for Ceduna is modular and can be scaled up so that the water costings used can be extrapolated to provide a comparison for the possible cost of an Adelaide desalination plant. It is expected to cost \$22 million for just under one gigalitre per year and can be built in two years, which equates to about \$1.1 billion.

Debate adjourned.

The State Government gave Liz no opportunity to complete this debate.