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HANSARD

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APPROPRIATION BILL 2013

Mr PEDERICK (Hammond) (12:44): I rise today to give a budget reply speech for the eighth time in this parliament from opposition and, hopefully, after the next election, it will be a long time before I do it from the opposition benches again because, frankly, this state cannot stand any more time with this Labor government running it. We are watching the federal debacle with what is going on with Julia Gillard's—and I was going to use the word 'team' but I do not think 'team' is the word at the moment, as they are working out who is knifing whom.

Mr Gardner: I think 'fiasco' is the term.

Mr PEDERICK: 'Fiasco' is the term to use, thank you member for Morialta. We see a fiasco in how this state has been run over the last 11 years. Just to make the point, we look at the debt ceiling which will be the biggest debt that this state will have ever had in its history—\$13,750 million. You could say \$13.75 billion, but I think when you put it in terms of \$13,750 million, it shows the reality that this state's finances are headed to hit that in 2016, that is, if we can believe the budget figures, because they chop and change from budget to budget, and from Mid-Year Budget Review to Mid-Year Budget Review.

The general government debt ceiling will be breached at over 54.2 per cent in 2016. If we look at the total state liabilities that will occur in that year when we have the massive blowout, we look at \$28.8 billion, which is over \$30 billion if we work in our failed WorkCover scheme and the public sector workers compensation schemes—\$30 billion—which is essentially equivalent to double our state budget at the moment, so how can this state keep having all these blowouts? It is just out of control. We look at the deficit coming up in 2012-13 of \$1.314 billion, and it is deteriorating by \$701 million in four years to the budget years of 2015-16. Supposedly in 2016-17, the surplus will be \$661 million, if we can believe the figures.

As other speakers have indicated here today, we still have six deficits in seven budget years and, if we consider the estimate of last year for the 2012-13 budget deficit, which was going to be \$867 million, this state is \$447 million worse off this year. We look at economic growth figures for the state and, even though we are only three quarters of the way through 2012-13, the state final demand figures showed then a drop by 3.7 per cent. However, the state final demand was forecast to grow by 1.2 per cent in 2012-13. Gross state product at 1.25 per cent is less than half the national gross domestic product growth at 3 per cent this year. If we look at what has happened in our employment sector and the pain inflicted on small business, everyone is not making decisions; they are waiting for the two elections to happen, and the jobs growth is essentially zero. Where is it now? In the budget, the Premier originally forecast 100,000 new jobs by 2016. Well, when is that going to happen because we are not seeing too much of that happening at the moment.

The interest has been talked about by other members today. The interest blowout will head to \$952 million, which is \$2.6 million per day that we will just be paying in interest by 2016-17. If we look at how that interest bill rates in the scheme of things—the police budget is just under \$870 million in 2016-17. If the interest bill was a department, it would be the fifth largest department in 2016-17, under this failed government forecast. We can look at the superannuation interest which is over \$400 million every year, and the interest repayments are growing an average of 30 per cent per annum.

Look at what is happening as far as some of the tax issues that were outlined in the budget. The car park tax remains, though in the budget papers it is not called the 'car park tax', it is called the 'transport development levy'. What sort of development is that toxic tax actually aiming at? It is not going to develop anything. It is going to make Adelaide a ghost town. All of the people in the regions, all of my constituents, they have to travel into the city. They have to drive in, find a park, do their business, do their shopping, whatever they need to do—whether it is to see people about business, whether it is to see their accountant or whether it is to shop for goods that are not so easy to get in the regions—and they have to get a park.

Yet here we see the government putting in place another tax which will put up the cost by \$25 million a year across the board to people who want to park in the city. Well, I know exactly what will happen. People just will not bother coming in here. They will find other alternative ways to shop. They will see what more products they can find in the regions or they will shop in the suburban areas, and there will be more buying online. They will not bother coming in here. It is just a destructive tax.

If we look at the tax revenue growth over time: in 2013-14 it is 2.6 per cent; 6.5 per cent in 2014-15; 7.5 per cent in 2015-16; and 6.2 per cent in 2016-17. So there is tax revenue growth across the board, yet still we see a government that cannot manage its finances and cannot manage its forward estimates.

We see in savings targets indicated by the government that the government is looking at \$140 million over four years worth of new savings outlined in this budget, but we see \$1.3 billion worth of new spending. No wonder the budget has blown out. What we see hidden in the budget also is there is over \$406 million worth of savings in revenue measures to commence after the election. I wonder where they will hit. Probably health—and probably country health.

We see the Public Service, where the government has outlined that it will target almost 5,000 people in the Public Service for a reduction, and that is over the forward estimates period, and that will include around \$169 million worth of targeted voluntary separation packages payments in 2½ years. That is looking at a target of close to 1,500 people involved there, and we look at 58 early executive appointments terminated at a cost of \$9 million. And so the total cost for termination works out to just over \$115,000 per head.

Julia Gillard was in Adelaide the other day with the Premier proudly spruiking about the Gonski agreement, but will it mean extra funding? Will it mean better outcomes for our kids in the public schools? More and more people are turning to private schools because they are frustrated with the lack of management and the lack of outcomes in the public sector schools. Don't get me wrong: there are some very good people in the education department, but they are frustrated by policies and the way the finances are handled, the way staffing appointments are handled, and it just creates an issue where people cannot understand how some decisions are made in the education sector.

Mrs Geraghty: Because people keep talking down our state schools, that's why.

Mr PEDERICK: Absolutely. I think our state schools are great, but there needs to be better management about how these schools are run. I have two schools in my electorate, now that the Government Whip has fired me up, whose principals had long-term arrangements with their schools. They did one term this year and they have gone—they have decided to go elsewhere, because under the government's policy they can. At the school where my kids go at Coomandook, the principal was given a six-year contract and he did one term and told everyone that week—

The Hon. J.M. Rankine: Why?

Mr PEDERICK: Because he got a contract at Tailem Bend. So, there you go. Where are the continuous education outcomes for our children when we have people who just cut and run when they initially enter a six-year contract and then they leave? This is happening right across the state. I believe people should have some freedom of choice, but why are they only given that one term? The same thing happened at Lameroo in my electorate. The principal was there last year, but did one term this year and has gone elsewhere, so work it out. So when these appointments happen like this, when the flawed hiring process goes ahead, it means that other teachers have to step up, the deputy has to step up, as they have done, and they are doing a good job—

The Hon. J.M. Rankine interjecting:

The SPEAKER: I call the Minister for Education and Children's Services to order.

Mr Gardner: Warn her, sir.

The SPEAKER: That will be next.

Mr PEDERICK: Thank you, Mr Speaker. This pulls teachers out of the classroom, and temporary relief teachers have to come in and backfill the situation right throughout the system. So it does impact on children's education, because they do not have the continuum they deserve of a decent education because people are always backfilling roles and people are being pulled out of classrooms—

Mrs Geraghty interjecting:

The SPEAKER: I call the member for Torrens to order.

Mr PEDERICK: Thank you, Mr Speaker, for your protection. There has to be a better way so that our state schools can function better.

I look at the Department of Primary Industries and Regions. As a farmer coming into this place, I am extremely frustrated with the budget outcomes with respect to primary industries. For instance, if we look at the targeted full-time equivalent Public Service cuts for primary industries in this budget, another 120 people are to go. We see the primary industries funding cut by \$11.5 million. We have seen over the last four budgets \$80 million cut from primary industries. We see just in the one budget line of Agriculture, Food and Fisheries a \$7 million cut.

It is just out of control how this government targets the very sector that is growing the economy in this state and making it work, especially when they suddenly realised, when the Olympic Dam expansion fell over, that they needed to rely on the next sector, which is the sector that has been helping this economy for as long as we have been here in South Australia (since 1836), and that is agriculture, which will have a final outcome of finished

food demand of over \$15 billion, but this government does not recognise the contribution of agriculture.

The government talks about premium food in this state—clean, green, premium food—but where is the support? It is out the window. We see that the Primary Industries and Regions South Australia operating expenses are to be cut in forward estimates by \$16 million. It is interesting that I note in the budget that \$930,000 has been lost due to our proposal to oppose the biosecurity levy. More and more the government wants to impose costs, but, thankfully, when the government tried to introduce it in a budget bill we stood our ground and opposed that levy. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Adjourned debate on second reading (resumed on motion).

Mr PEDERICK (Hammond) (15:58): I seek to continue my remarks in regard to the budget reply speech. I note that something else that this government totally disregarded is the funding for regional development, where we see \$4 million being cut. This reflects the complete attitude of the government to the regions, having only one seat in regional South Australia. I would like to note that there have been some minor wins—and I stress, some minor wins—in the bush.

We have seen two ferry replacements announced out of the five that are needed up along the river, with \$6.1 million to be spent to replace the ageing wooden ferries with steel hulled ferries. We certainly welcome that announcement, but it does concern me that the government was chasing the local councils to fund these replacements. There is also \$2.6 million over four years to establish innovation clusters in the Riverland, Murraylands and the Limestone Coast regions. It will be interesting—

Mr Whetstone interjecting:

Mr PEDERICK: Yes. It will be interesting to see what this actually means in these regional areas. I note there is \$2.5 million over four years targeting Chinese markets with South Australian food and wine, and I also welcome \$1 million in extra fruit fly surveillance and controls. We cannot have enough considering the amount of money that has had to be spent on the outbreaks in South Australia over the last 12 to 18 months.

I am interested in the \$6 million to the environment department; I think this is going to the Environment Protection Authority and I hope it goes to some realistic arrangements around compliance. I say that because there have been instances where people want to replace their shacks if they are running to rack and ruin, and I had one incident up the River where someone wanted to replace their shack and they had basically been told they cannot because there is a risk that they might let their effluent into the river. It is just outrageous—the EPA say they might put an axe through the holding tanks because they are connected to a community wastewater management scheme and I do not think there will ever be one at this location due to a range of logistical problems.

The other issue is they might visit the shack more because they have a nice shack. It is a totally idiotic way to go—this total precautionary principle way that the EPA seem to manage these outcomes where there could be far better outcomes for people along the River if there was some realistic—and I say 'realistic' because I know what the EPA can be like with compliance, they can come down with a heavy hand—compliance arrangements around what people can do with their shacks and when they are replacing them with a better structure.

In the closing little bit of time I have left, I want to talk about the impact on the cost of living in this budget. There is a direct result of 11 years of Labor and Premier Weatherill and his government. We have seen property charges which have increased at twice the rate of the Consumer Price Index; we have seen state taxes that have increased at three times the rate of the CPI; we have seen electricity bills which have increased greater than five times the rate of the Consumer Price Index; we have seen gas bills that have increased at seven times the rate of the CPI; and water bills which have increased a staggering 11 times the rate of the Consumer Price Index.

This is a real problem, especially in regional South Australia, for people that are having trouble paying for the water, not just for their homes, but to water the stock that they own. Some people might have a herd of 500 cows and all the cattle associated with that, with calves and bulls etc., and they are facing massive water costs.

It is not uncommon to see people with water bills of \$100,000 or \$200,000. So this is going to really cause a problem as we move ahead in this state, because I really fear that the cost of water in this state will cause the destocking of large areas of this state because people just cannot afford to pay for this water. In fact, there are many people, either in my electorate or next to my electorate, that are putting in very large pipelines from Lake Albert (which is very saline) to supplement their water supplies.

Time expired.

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