

## Budget reply speech - June 20, 2007

**Mr PEDERICK (Hammond):** I rise today to speak on the 2007-08 budget, which is provided for by this Appropriation Bill. The first item I would like to acknowledge is the speech made by the member for Bright. Just when I thought she was warming up and getting through what I believed to be the first topic of her speech, she sat down. I found it extraordinary that, for a whole six minutes, we learnt about basic railway maintenance. However, it is good to see that the government is spending money in this area, on the Noarlunga and Belair lines. It reminds me of the days when I assisted with the Melbourne-Adelaide railway standardisation project about 13 years ago. I did about six weeks' work on that to supplement my income on the farm. It was a big operation and the railway staff worked with the casual staff very well.

This budget tells us that it delivers a strong future for South Australians. During my speech I will address that and list plenty of points where the government has fallen down on the opportunity to govern South Australia into the future. It does not address the state's most pressing need, and that is water. We need water as soon as possible from sources other than the Murray. The Mount Bold 10-year expansion plan still requires water from the River Murray if it is ever going to be full and the plan realised. I believe politics are being played with desalination. The Liberal Party came up with a policy months ago and put it up as a policy priority, and the Labor Party candidate later claimed we were working on it all the time.

We have had the floating of the big balloon of a new hospital and, on the government's past record, you get the feeling that that big announcement was meant to divert attention from some other less attractive realities. Four regional health centres offering improved services is good news, but is it at the expense of other country hospitals? And will they be able to provide a reasonable range of services locally? Citi-centric attitude to public services is now in a new form, with local hospitals reduced to being bandaid centres and ambulance terminals. Try asking someone from McLaren Vale to drive to Gawler for assistance, or from Port Adelaide to Murray Bridge, etc., past three hospitals en route. Country hospitals are soon to become ambulance transit lounges, and medical trainees will find themselves travelling further and choosing from fewer centres to participate in training. This is short-sighted. Then there is the cost of transport to save money on service provision and adequate facilities. What the government wants to save on these will be spent on transport, road and air.

I turn to repairing the state's ageing infrastructure, and we have to remember we have not seen anything built in this state for the last five years, and we have the Rann tram to nowhere. But now we realise why it turned left into North Terrace—because that is where the Marj Mahal is going, and that is no disrespect to Marjorie Jackson-Nelson: she is a lovely lady and a great Governor. If we make irrigators go without water for food production, we will not have to spend money on replacing water mains, as long as we have enough for the Labor votes in the city. It will be more a case of crisis management than a planned program of maintenance and upgrade.

The government says it is getting on with the job of securing Adelaide's water supply. What about the rest of the state? It says it is committed to developing a waterproofing strategy for regional South Australia. It took a drought to get the government working on it and, since Premier Rann's statement last November that we are in a one in 1 000-year drought, not one drop of extra water has found its way into the country—or into the city, for that matter. In fact, until a few days ago, country irrigators were asked to go without altogether. They have only just come up from zero allocations to 1 per cent allocations, and there were plenty of people who were going to switch on their irrigation and wear the fine.

No doubt, the people of Clayton are pleased to hear that at last a pipeline will be laid over the 15 kilometres needed to supply them with mains water, and that is a great thing for the Clayton district. They have had about six or seven private irrigation systems; in fact, I was given the opportunity to speak to the Public Works Committee this morning, and I thank SA Water for doing this because it is a great thing for the Clayton community to move forward. There will be a problem in the future, perhaps, with some of the delivery pipes—old asbestos pipes—but at the moment they say they will get them through. This water will be delivered at their front door: the river at their back door is threatened with a weir at Wellington.

Mr Foley talks about budget surpluses. They must come in handy for the major cost blow-outs we are getting used to seeing. We have seen around \$600 million to \$650 million of road projects, all in the city—the Northern Expressway, two underpasses on South Road, and other infrastructure—blow out to around \$1 billion in round figures.

*An honourable member interjecting:*

**Mr PEDERICK:** It is unbelievable. In regard to public transport, understandably (according to the Labor Party), most of the money will be spent in the city and suburbs where the majority of the

population lives. In his budget speech Mr Foley mentioned spending \$5.7 million on rural road safety. That is \$1.4 million a year. As far as regional transport and public transport are concerned, country people get around 13 to 14 times less subsidy than city commuters.

It is good to see \$4 million in the budget to increase the capacity of aerial firefighting, but who calls the shots when the men and women on the ground call for the support? I have seen two examples recently in my own area where, if aerial support had been called in on the morning straight after a big fire had flared up—air support brought in in daylight—it may have even snuffed out those fires instead of burning thousands of hectares more. There needs to be more money allocated so that planes can be launched first thing in the morning. I have seen plenty of plane loads go into the middle of national parks at \$1 000 a load and dump water, and for what reason? It is only when asset management comes into question that they might bring out the planes.

In regard to water supplies, SA Water has committed \$3 million for environmental studies to determine the feasibility of a desalination plant for Adelaide. I think that is a good thing. We do need to have proper environmental studies done. Members of the Liberal Party went over to Perth and saw the plant over there. The intake pipe is only 200 metres from the start of the desalination plant and the outlet pipe goes out another 250 metres, letting the briny water go back into the sea over that 250 metres. This water diffuses back to within seawater levels of salt within 50 metres. It is permanently monitored. I know we live on a gulf, but I think we could operate desalination quite successfully for Adelaide. We attended a briefing in the past day or so with BHP, and it is looking at studies to place a desalination plant off Port Bonython. Extensive studies are being done there to help with Olympic Dam's water and some water for Eyre Peninsula, which for too long has been reliant on the River Murray.

The government has been keen to make the point that it has to do full environmental studies for desalination, but when it came to announcing the Wellington weir it just came out with it. Do not worry about the 30 000 people south of Wellington, do not worry about how it has affected their mental health, and do not worry about the fact that they know they can survive through a drought, but they do not need the threat of a weir. It is time the government came out—

*The Hon. K.A. Maywald interjecting:*

**Mr PEDERICK:** That's good. It is time the government finally scotched this weir. It made a stuff-up when announcing it. It suggested a \$20 million weir. It must have had a small envelope when it was doing the numbers. The government finally came out—

*Mr Kenyon interjecting:*

**Mr PEDERICK:** Well, they should have turned it over again. The government finally did some costings. The engineers were given the full documentation of what was found in the 1930s and the 1960s, or whenever previous surveys were done. Basically, it is too hard to build a permanent structure. It would be a \$110 million structure and it would cost \$25 million to pull it out. The government needs to quit this Stone Age technology while it is ahead. It will have its monument: it will have the new hospital.

I commend the government for allocating \$54 million to the program to deliver nine new filtration plants to 15 communities along the River Murray. That is a step in the right direction. The Clayton pipeline to supply the town is a \$5 million project and it is fantastic for those people in my electorate. I acknowledge that, under pressure, the government found out it could lower the major pumping stations at Murray Bridge and Mannum by spending more than \$5 million on the pumps below Lock 1 to enable water to get through to Adelaide and other country areas. What we have to remember in relation to the Mount Bold announcement is that there will be no extra water for Adelaide unless it comes from the river. The government has done nothing to wean Adelaide off the Murray.

Some \$14.1 million has been allocated over four years for road maintenance. That is about \$3.5 million a year—and that will not go far. I commend the government for the Keeping Them Safe in Our Care project and building the new Murray Bridge Police Station—which is long overdue and which would have been necessary whether or not the prisons were built there. There is \$2.9 million over two years to commence building the new police station in 2009-10; so we could probably safely say that we will not see it until 2015. I commend the government for putting up this project, the total cost of which is \$9.5 million. I would like to think that it includes courtroom facilities, as well, because they badly need an overhaul.

As announced last year, whether or not we like it, the new Yatala is coming to Mobilong and a new women's prison is being built there, as well, at a cost of over \$500 million, including the other correctional facilities in Adelaide. There are significant resources for the state's correctional system—and I am sure Murray Bridge will be part of this—including \$24.4 million for staffing requirements. There is also \$3.5 million for security upgrades for prisons.

The government has announced it will source 20 per cent of electricity requirements for government agencies from green power by 1 January 2008. This includes \$331 000 in 2007-08 to purchase 20 additional mini wind turbines for use on buildings to demonstrate the potential of this

technology. I think the government needs to go to Cape Jervis or Yorke Peninsula to see real wind farms and what can be done. I think more of this technology needs to be used.

We need more ongoing community engagement and communication on water security and River Murray drought issues. It is pleasing to see that irrigators have been given a 1 per cent allocation. There needs to be constant monitoring and scientific investigation into water quality and salinity of the River Murray. In relation to the river, we need to manage the six icon sites, including Chowilla, the Lower Lakes, the Coorong and the Murray Mouth. We have been told there will be drought relief measures for people paying NRM licences. Obviously, NRM programs will have to be cut because this money is not getting backed up by government funding. We have the Save the River Murray levy, which is used to fund specific measures aimed at improving the long-term security and quality of South Australia's water supply. I do not know what has happened: either we are not paying enough or it is going in the wrong place. I have already mentioned the lack of water security.

I want to speak about the environment program. The government is spending \$13.8 million throughout the state and \$10.8 million of that program is the continuation of asset management, asset replacement and capital development. There is \$1.7 million for the upgrade of roads in national parks across the state, and \$1.3 million is for the upgrade of infrastructure in visitor facilities on the government farm precinct and other buildings. I think more money should be spent on active land clearing in our large national parks. I believe that parks like Ngarkat and Billiat need a 60-metre area chained around the edge. The government says rolling is too dear—the young shoots will still come through—but that will take the effect of a crowning fire right out of the system. I acknowledge that there is an ongoing program of road improvements in rural and remote areas.

Education is a big item in the budget, and we are seeing WorkCover levies tearing our schools apart. Students in my electorate attend 18 government schools, although not all of them are in Hammond. From what I can see in the Eastern Fleurieu—the five school campuses around Strathalbyn—\$240 000 in funding will be lost by those campuses having to pay their own levies. I believe that the 18 schools that are servicing my area will have to find roughly \$1 million, which should be funded by the government. If the government wants to privatise education, it should come out and do so instead of raping it.

This is a budget about debt, disappointment and delay. It avoids water infrastructure in the middle of our biggest water crisis. It gives up on public transport. There is disappointment for families and for the aged, schools, small business, and those most in need. The fees and charges being increased include the emergency services levy, River Murray licences, natural resources management levies, supply charges for water, River Murray levy, speeding fines and motor vehicle registrations. These have all increased disproportionately to the CPI. Major projects are years away and health care services are centralised, based on what is best for the budget, not what is best for health. It will drive away from communities those people who want to assist in hospital management. Education budget cuts announced in previous years are still being implemented. The new prisons are still around five years away. Labor has deserted the mentally ill, the disabled, teachers, nurses, doctors and families.

Under Labor it is the country-city divide. Rural health services have been stripped, regional infrastructure is in decline, and our food producers, who were facing zero allocations, are not facing much better than that at the moment. We are seeing public sector reform and the cutting of waste, but the budget says nothing about making government more efficient. It confirms that Labor has accidentally increased the size of the Public Service by more than 10 000 employees, which would be costing the government around \$600 million annually, without explaining how that growth will be contained.

Planning for an economic downturn and a changing climate is just not happening. Diversification and resilience, both in economic and environmental terms, are essential for South Australia's future. This budget invests little—in fact, almost nothing—in diversifying our energy sources. I do not support the bill.

## Resumed

**Mr PEDERICK (Hammond):** I wish to expand on my comments made earlier this evening in regard to the 2007-08 budget, and I refer to the areas of health and education. Regarding health, it is the same old pattern where the spending sounds good: a big new hospital in the city centre, and improvements to four regional hospitals—which is great if you are connected with one of the four regional hospitals getting the improvements. What happens, for instance, if you live at Pinnaroo and need immediate access to the upgraded hospital in Berri? You will have to travel on a road at 60 km/h, so perhaps we will need more spent on rural road maintenance to be able to access these regional centres. Lamerook Hospital in my electorate will be pleased to get a new solar-powered hot water service augmented with gas, at around \$150 000, as part of 10 regional hospitals having access to this upgrade, and that is welcome news. It is an environmentally-friendly service no less.

If it were not for this government's record on health and education, we might well believe that it had changed its city-centric approach to infrastructure. This government has a history of trumpeting its big-ticket projects, making big, bold unilateral announcements and expecting the public to fall at their feet with gratitude. Then they talk about full consultation after the announcement. It is called shoot first; then you only need to talk to those left standing. In its clumsy attempt to streamline country health services, minister Hill has succeeded in getting rid of many of the most capable and dedicated people in local communities who have guided country hospitals for decades, and he now wonders who he will get to fill the advisory committees.

Other examples of shoot first can be found if we look at education, with aquatics and music programs being threatened. 'This is how it is going to be, and you can put your opinions in that box over there!' First, we get the big announcement about a substantial new investment in education: super schools and the like. Then comes the public backlash which is duly swallowed up by surveys which are meant to appease the masses but which never seem to affect the original decision. Then, as the months go by, come little bits of bad news: the program cuts, the funding cuts, the staffing cuts, the fee increases, the cost shifting, and nothing worse than what we are seeing now with the workers compensation cost shifting. How long will it be before this socialist government asks students to present a current public liability insurance certificate at the gate before they are allowed into public school premises? And when the staff, parents and education community object, all the minister can do is express her disappointment that they marched rather than talked. If their opinion really mattered, why not talk to them before the big announcements?

The sum of \$2.9 million to be spent on Lameroo school is great news for that school. There will be improvements made to the gymnasium and their school science laboratories over, I think, three years; but it still leaves the local school with some doubts and anxieties as to when all these projects will be finalised.

I want to address another good part of the budget, and that is the \$18 million in 2007-08 to address the impact of the drought on regional and rural communities, including an extension of state-based concession programs to drought-affected families, increased mental health services, natural resource management levy relief (the only problem with that is that it will mean that programs will be cut—and I know the order has gone out from the minister to cut programs), and support to deliver business plans.

*The Hon. K.A. Maywald interjecting:*

**Mr PEDERICK:** I think you might want to talk to your partner in the other place, minister. I have very good information that a directive has been given to some individual NRM boards to cut programs.

*The Hon. K.A. Maywald interjecting:*

**Mr PEDERICK:** I did not name a particular area. These measures are in addition to exceptional circumstances. Drought relief support, which was announced in 2006, also included increased financial rural counselling services. It is very pleasing to see support for rural areas when they really need it. I must admit that we may need to have a look at national funding for exceptional circumstances. I do not think that many people have been able to jump through the hoops on dryland farms, and I think irrigators are having a real battle to access it, as their bad years have not yet come. Their two bad years will be the next financial years—2007-08, 2008-09 and the one after—because I believe that even though they have just come out of 60 per cent allocation for water, dairy farmers and people with orchards, etc., probably still have reasonable incomes, but it has made them ineligible to access the funding.

I get back to my favourite subject of water security for this state. The simple fact is that we do not seem to have water security because we have had to reduce the amount of water to irrigators this water year to 60 per cent of their allocation. We are up to enhanced level 3 restrictions, and there are going to be temporary closures of 29 wetlands and backwaters, including Lake Bonney. We need standpipes around the lower lakes, and we need dredging works, not just for irrigators, but for marinas and other people with interests on the Murray.

We are well aware that there is a risk that the low flows will continue for a long time to come. As I have said on several occasions in this place, there is still the threat of the temporary weir south of Wellington. The government may even have to look at the acquisition of additional water entitlements. They will need to find federal funding for many of these programs. The River Murray is still expected to keep the state afloat, as we have seen through the government's proposal for the Mount Bold reservoir. The only way to top it up will be by using water from the River Murray. Desalination is finally on the move with the government, but that is still five years away. There is a very innovative scheme at Salisbury (which is a great triumph for the environment) on reusing stormwater, yet the government opposed the Liberal Party's bills late last year in the other place to make better use of stormwater, sewerage mining and rainwater usage. I note that these bills are being reintroduced in this house.

The barrages at Goolwa have come under the spotlight, with salt water leaking constantly into the lakes. Last minute measures are proving of little help and we are now faced with having to wait—however long it takes—for a major flow down the Murray to push a lot of this salt water out to sea. Perhaps we will see the first desalination plant built on a freshwater island. Again the pattern emerges that locals feel that they are being ignored until the crisis hits. My one closing statement is that we are always told that there is no money for water infrastructure to wean the state off the Murray, but over six years \$1.61 billion is being milked out of SA Water into general revenue.