

House of Assembly

Bill

22-23 June, 2010

SUPPLY BILL

Adjourned debate on second reading (resumed on motion).

Mr TRELOAR (Flinders) (17:33): I rise to support the second reading of the Supply Bill. I will keep my contribution relatively brief because I do not want to rehash what my colleagues on this side of the house have already said; however, I would like to echo the sentiments of the shadow treasurer and others in regard to the state budget. It is quite unbelievable that the Tasmanian government delivered its budget last week when it also went to the polls on 20 March this year, yet this government cannot get its act together and will bury the budget in the midst of the football finals in September.

It also concerns me, as someone who comes from a small business background, that with an annual budget of some \$14 billion the state is running a debt approaching \$6.8 billion. Anyone who has been involved in business, who has run a successful business, will know that when your debt approaches 50 per cent of your operating budget it is some cause for concern.

It was interesting to hear the condolence motion early today for former member Allan Rodda, who represented the seat of Victoria for many years and who was, in fact, born close to where I was born and lived on the Eyre Peninsula of South Australia. He was recognised today for his stand and proposition regarding the regions and country areas, and the importance of agriculture, and I would like to take this opportunity today to put on the record my funding priorities for regional South Australia and also the electorate of Flinders.

What has really been borne out by this government over a period of time is the lack of investment in infrastructure. It has been sadly lacking for a long period of time and is really beginning to show itself, particularly in the regions. I will give some examples for the house and for the public record.

The port at Thevenard is currently the second busiest port in the state. It is exporting gypsum, salt, grain and, now, mineral sands with the development of the minerals sand project by Iluka, north of Ceduna in the state's north-west pastoral district. This has led to an increased tonnage out of the port at Thevenard, and, as I said earlier, it has become the second busiest port in the state.

What Thevenard desperately needs is some investment, some upgrading and an injection of funds. This government has relinquished that opportunity, and, unfortunately, what we are now seeing is a port that is expected to handle five ships a fortnight in very confined spaces and expect to meet the markets in a very busy and competitive world. A fishing fleet also operates out of there and makes it difficult.

Roads, of course, are always a priority in regional areas. One that I need to highlight from my electorate is the Wirrulla to Kingoonya road. For those of you who are unsure of the exact location, Wirrulla is located about 100 kilometres east of Ceduna, and the Wirrulla to Kingoonya road heads north-east from there towards Kingoonya, which is on the east-west railway line. Hopefully, that clarifies it for you.

Another road that I would like to highlight—and this is going to get better, Madam Deputy Speaker—is the Tod Highway from Karkoo to Kyancutta. You have heard of Kyancutta, I am sure. It is a distance of approximately 150 kilometres. It is now a major highway, a major transport route, and it is often traversed by road trains carrying large loads of grain, in particular, but also other products. That road has now got to a rather sad state, where it is no longer wide enough for that freight transport to be undertaken in a safe manner. My concerns are not just for the lack of infrastructure and the lack of investment on roads, but also for the safety of those operating under those conditions. It is also disappointing to see this government's lack of spending in essential services. Those essential services, responsibilities of the state government, include health and education.

As far as country health goes, I believe the spending priorities are all wrong, and I would implore the government to dispense with the rail yards hospital, to revisit rebuilding of the Royal Adelaide Hospital on its existing site, and also to no longer cut services and staffing in country hospitals. This has

happened right across the country regions, it is also happening in the city, and it really compromises the delivery of health services purely and simply for the sake of saving funds.

The Patient Assisted Transport (PAT) scheme, on which I will elaborate, is a very important part of delivering country patients to specialist services in the city. When specialists are no longer available in country areas the PAT scheme comes into play. It is very important that that funding be kept up and increased so that country patients have the opportunity to travel to have their health requirements dealt with and so that they can be properly reimbursed for that very necessary travel.

It is important for the state government to maintain the levels of spending in our schools: area schools, primary schools and high schools. It is an investment in the future of our children. Last week I attended a meeting of concerned teachers and parents at the Port Lincoln High School, and their concerns included the air quality in a number of classrooms. This poor air quality was brought about, in my belief, by a lack of ongoing maintenance and a lack of investment in infrastructure over a long period. What has happened in the Port Lincoln High School is that the roof has leaked, and moisture has come into the ceiling and wet the straw. Pigeons have also got in somehow and created a health issue with regard to air quality in the Port Lincoln High School.

My understanding is that remediation will take place during the upcoming school holidays, and I am sure that will alleviate the concerns of the parents and teachers and repair the problem. My point is that this has been brought about as a result of ongoing lack of investment in maintenance and infrastructure.

While we are on schools, I believe I need to mention school buses here. Access to buses to transport children to school is something that is taken for granted here in Adelaide, but I can tell you that after some good research that I have requested from the Parliament Research Library I have discovered that the fleet of school buses here in South Australia, which essentially operate in country areas, is in fact the oldest fleet in the country.

I have some average ages here. In the ACT, the average age of school buses is 14.5 years; in New South Wales, 11.5 years; in Queensland, 10.5 years, almost 11 years; in Tasmania, 17 years; in Victoria, just nine years; and Western Australia has spent \$22 million replacing the public, school-owned buses without seatbelts. In South Australia, sadly, the average age of our school buses is between 20 and 22 years.

We desperately need a project and some investment and spending into the renewal of this bus service, particularly with regard to country children, their safety and their comfort and health. Air conditioning and seatbelts will need to be a priority in these country school buses, particularly out west, as the country children are heading home from school in the middle of summer during daylight saving in what is the hottest part of the day.

I touched on this in my maiden speech and I will not dwell on it too much, but much has been made of the Premier's so-called mining boom. Unfortunately, mineral exploration in Flinders has been just that—just exploration. We have had an exploration boom, but we have not yet seen a mining boom by any means. I think everyone is very nervous about the proposed super tax on the mining companies, because there are many companies in the start-up stage operating on the Eyre Peninsula.

The Eyre Peninsula offers great potential, I believe, for the mining sector. The latest estimates put the iron ore reserves at between 5 and 10 billion tons. My concern is that the lack of infrastructure, the lack of state spending into infrastructure and the proposed mining super tax will actually kill the mining boom before it has even begun in the seat of Flinders.

The thing about a mining boom is that it really does offer the opportunity to broaden the regional economy. Our economy is very much based on fishing, aquaculture, agriculture and, to a certain extent, tourism. My belief is that, if we encourage that mining boom the least little bit, then we will do so much to broaden the economy of the region and give jobs and some security to the people who live out there.

I have already spoken about roads and how the road maintenance programs are lagging behind where they should be. Roads are important. I have mentioned two already, but they are critical in bringing the produce of the regions to market to export. It is critical for me to put on the public record, and for the house to understand, that 80 per cent of the state's export income is generated in the regions. People need to remember that. Successive governments have chosen to ignore that or not understand it, and I think it is time we revisited that and understood their export income does come from the regions and that it is a vital part of the state's economy. This is new money. This is not

money going around and around: it is new money and, really, the state's economy depends so much on it.

I guess what I am asking for is a greater slice of the pie when it comes to road infrastructure, rail infrastructure and port infrastructure in the regions. This is what the electorate of Flinders and the rest of regional South Australia require.

I would also like to talk about water security; again, I mentioned it in my maiden speech. I believe that the water situation on the Eyre Peninsula in the seat of Flinders is precarious to say the least. SA Water has had on the table the proposition to build a desal plant to supplement the supply of water on the Eyre Peninsula for some eight years. Nothing as yet has happened. I understand that there is a short list of potential sites. I would encourage the government to hasten this project, because at the moment we are drawing 80 per cent of our water from the southern basins, and at the current rate of extraction it would seem that those resources are unsustainable.

We have already had a couple of basins on the West Coast collapse completely due to extraction rates. It makes me very nervous to think about the water security and the future for the Eyre Peninsula. What we need is to supplement that supply not only for the current population and industry but also looking to the future population and industrial demands of the region.

It is interesting that a very topical subject at the moment is food security. I do not disagree that a critical and important part of our responsibility as a region and as primary producers is to ensure that this food supply is adequate and that the quality is such that it is acceptable for the markets.

However, one thing that does put food security in this state at risk is drought. We cannot do anything about that, but another thing that does put it at risk, I believe, are plagues. The city media and most of the population in metropolitan Adelaide are well versed with the fact that there is a locust plague potential in the coming spring, and the government certainly has taken steps in order to counteract that plague should it develop.

Another plague we are experiencing on the Eyre Peninsula at the moment is a plague of mice—a mouse plague—and in many regions it is the worst that has ever been experienced by landowners. I believe that this also is a threat to our food security. It is a threat to the viability of the landowners, the producers and the farmers, and it affects seriously the economic wellbeing of the of the seat of Flinders. The government thus far has taken very little action. We have made the state government well aware of the situation on the Eyre Peninsula with regard to mice, but very little action has been taken thus far.

The government just does not seem prepared to take a position on this, and certainly it does not seem to be prepared to spend any money on the control of this plague. This is a plague of biblical proportions. Not only is it eating the plants as they emerge from the field but it is also eating people out of house and home. Many of my constituents, quite seriously, are at their wit's end on this one, and I will speak about it more another day. It is a very serious situation. I believe the government needs to take a position on this and be prepared to spend some money at least to assist the landowners in the control of this because, unfortunately, the plague will not go away by itself. It will be ongoing and many landowners are really very nervous about what could happen in the spring time. The region's crops could be decimated or worse.

That leads me to another topic related to agriculture, that is, the cuts to the Department of Primary Industries and Resources in South Australia, which is responsible for delivering services and extension work to primary producers in agriculture, aquaculture and fisheries. In recent times, there have been many cuts across this department. Once again, I think the real advantage we have had in Australia, and here in South Australia, is that producers have had the opportunity to take advantage of the latest technology and implement that technology in their own businesses and production systems.

I think cuts to departments such as primary industries and research in South Australia have a detrimental effect on the extension of that technology by our producers. Really, that is the advantage we have. In a world market and a globalised competitive world, the one advantage we have is our technological advantage over our competitors. If we do not have the opportunity to implement and take on board those technologies, we are at a disadvantage.

The people in Flinders certainly realise that Adelaide commands projects, such as the stadium, as it has the critical mass as the capital city. However, many people in Flinders find it abhorrent that such a huge amount of money has been pledged for a patched up Adelaide Oval when essential services and infrastructure in the country are under threat. This also ties into the rail yards hospital debate.

How on earth can the government ignore the will of the people? People in Flinders do not want billions of dollars spent on the rail yards hospital and the government to go further into debt when country health services are in such dire straits. Evidently the egos of our leaders in public life take precedence over what is good for the state.

Finally, I remind the house of the contributions the regions make to this state's economy and urge this state government to recognise that contribution, invest in the regions and properly reward the regions for the contributions they make.

23 June, 2010

Mr TRELOAR (Flinders) (16:56): Thank you Mr Acting Speaker. Congratulations, member for Finniss, on your ascension to the chair. I also join others in congratulating the member for Schubert on 20 fine, excellent and contributing years in this place. The member for Schubert and I knew each other when I was in a previous life and have certainly been involved in some agricultural pursuits together, and I would like to think that under his guidance I will be in good hands in this place, so congratulations to him.

The leader made the point clearly today that Labor does not manage the economy well. Time and again, whether here in South Australia, interstate or at a federal level—indeed around the world—Labor are economic vandals. They demonstrate time and again their inability to manage the economy. Invariably the Liberal Party will have to come in again and clean up the mess.

The state budget currently is around \$15 billion, and the state's debt is approaching \$6.8 billion. For those of us prepared to do some simple mathematics, the state debt is roughly 50 per cent of the state's total budget, and members in this place with any sort of business background at all realise that this is no way to manage a business, let alone the state's finances. Those sort of figures give us real concern going forward.

During the state election campaign issues that I covered at a local level were water, infrastructure, health and education—issues that were important to me, my electorate and the regions generally. It is the government's responsibility through SA Water to honour its 2002 commitment to establish a desalination plant on the Eyre Peninsula. That commitment was made in 2002 and eight years on still nothing has happened. Water security remains one of the key issues on the Eyre Peninsula and indeed in the rest of rural and regional South Australia. It is not that difficult, I do not think, to find a solution to this. The government simply needs to do what it has said it is going to do, namely, to establish a desalination plant on the West Coast, provide water security for our current population and industries and also potential future growth.

Our Treasurer spoke in this place today about making hard choices, particularly around the funding of projects. Surely the extravagance and waste we have seen by this government for the last eight years must come to an end. We cut the waste and we balance the budget: it is quite simple. I refer back to those of us who have been involved in business. When things are tight you make cuts. In this state we cut the waste, the extravagance, and we balance the budget.

Investment into infrastructure has been sadly lacking. Surely investment in infrastructure that actually encourages and facilitates growth in the real economy, the economy that generates exports and wealth for the state, is where return on investment will achieve. I mentioned earlier the Port of Thevenard on the West Coast—a dynamic port, currently the second busiest port in the state—crying out for some investment for a deepening of the channel and the expansion of the port facility. That is just one example of where investment is sadly needed.

Mr Venning: Hear, hear!

Mr TRELOAR: Thank you, member for Schubert. I do not suggest for a moment that we need to outlay more in total expenditure. What I am suggesting very strongly is that we need to keep our eye on the ball, be aware of the real drivers of our economy and understand the economic realities. What this means is a careful and dutiful redirection of funds from those projects that do not generate further income, and we have seen plenty of those recently, particularly in the City of Adelaide.

So, what I suggest is a redirection of these funds, as I said, from those projects that do not generate further income. Where government spending has been going of late is merely to placate the masses. They used to say in the times of ancient Rome that bread and circuses were the stuff of life, and it seems to me that this government has taken on that attitude and that approach.

Ms Sanderson: Look at Adelaide Oval.

Mr TRELOAR: Look at Adelaide Oval; yes, it's a circus. One of the platforms that the Liberal Party took to the last election campaign was to quarantine and direct 25 per cent of mining royalties, which are derived from the regions, back to the regions. I still believe that this is a wonderfully simple manner in which to ensure adequate funding back into the regions. Might I add that it had great support from those in the regions. It was a wonderful policy and it is still party policy to support that. I believe that it is only when funds are quarantined for this express purpose that our state's regions will be properly recognised and rewarded for their collective contributions to the South Australian economy.

The 25 per cent investment of mining royalties back into the regions can be enhanced thoroughly through funding partnerships with local governments and federal government and, as is increasingly the case, with private enterprise. Of course, if we are prepared to invest in the rural and regional economy, we will be in a much better position to provide those essential services that are ultimately the responsibility of our state government—and I am talking about health and education. It is the provision of these essential services into our regional, rural and remote areas that are of the utmost importance to South Australians.

I recognised the challenge of providing these services. It has been talked about time and time again here today on both sides, but if we are to maintain the regions as a productive sector of this state's economy, then we must be prepared to provide the services. Nothing upsets country people more than not having the equivalent services available to them as their city counterparts.