

Project	Initial Budget (\$m)	Final/Updated Cost (\$m)	Blowout (\$m)
Techport Australia	140	255	115
Light Rail Extension	162	175	13
Port River Expressway	138	175	37
Flinders Medical Centre Redevelopment	145	163	18
The QEH Stage 2 Redevelopment	42	127	85
Desalination Plant	1,100	1,824	724
North South Interconnector Pipeline	304	403	99
State Aquatic Centre	50	125	75
Glenelg Tram Crossing Overpass	28	44	16
Northern Expressway	300	564	264
Bakewell Underpass	30	43	13
New RAH	1,677	3,161	1,484
Tramline Extension	21	31	10
Port River Bridges	136	178	42
Southern Expressway	280	370	90
Lyell McEwin Stage 2 Redevelopment	23	44	21
Adelaide Oval	450	535	85
Total	5,026	8,217	3,191

5. Balance Sheet

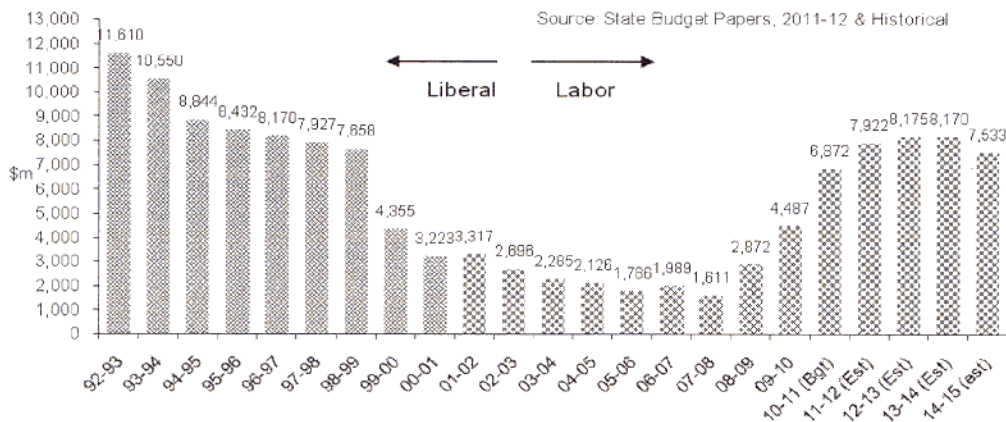
5.1 Debt Blowouts

Budget Papers reveal that through prudent fiscal management, the former Liberal Government reduced Labor's State Bank debt from \$11.6 billion in 1993 to \$2.7 billion in 2002-03.

Under Rann Labor's economic mismanagement, debt is forecast to blow out to \$8.2 billion.

At the current rate, the interest bill that the Government pays on its debt will reach almost \$2 million per day. This is money that South Australians pay in taxes, that can't be spent on health, education, law and order or transport infrastructure.

Chart 5.1: State Debt

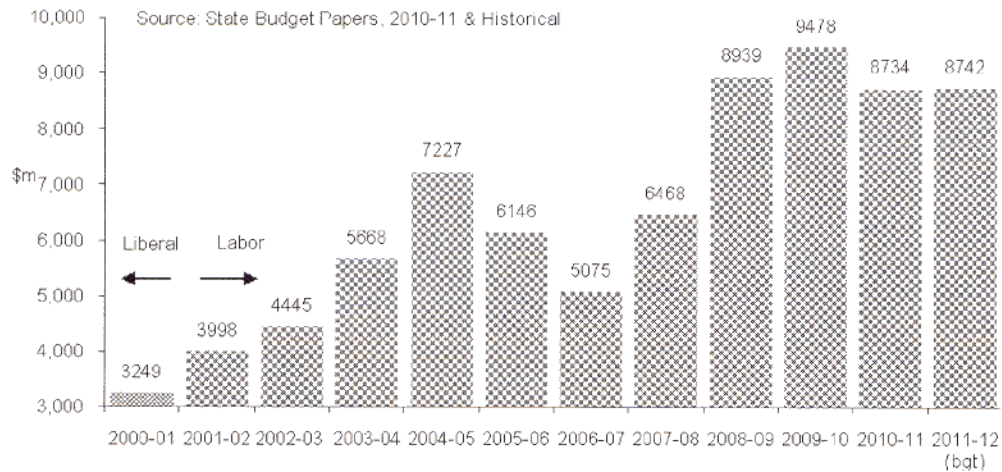


5.2 Unfunded Superannuation Liabilities

Budget Papers show that at June 2001, the General Government unfunded liability stood at **\$3.2 billion**. Under Labor, the unfunded superannuation liability has blown out to **\$8.7 billion**. These blowouts require the Treasurer to now pay \$412 million in 2011-12 in superannuation liability interest.

It was the former State Liberal Government that committed to fully funding the superannuation liability by 2034.⁸ With recent blowouts, this target is looking uncertain.

Chart 5.2 Unfunded Superannuation Liabilities



⁸ 1999-00 Budget paper 2, p7.9

Table 6.1: Cost of Living Impact on the Average SA Household

	2010-11	%change	\$change	2011-12
Transport				
CTP insurance	\$ 476	2.7%	\$ 13	\$ 489
Motor vehicle registration	\$ 208	4.3%	\$ 9	\$ 217
10 year driver's licence renewal	\$ 280	32.1%	\$ 90	\$ 370
Public transport multi-trips	\$ 1,560	3.0%	\$ 47	\$ 1,607
Speeding fine (<15 k/hr over)	\$ 196	28.6%	\$ 56	\$ 252
Utilities				
Water bills	\$ 470	40%	\$ 189	\$ 659
Sewerage bills	\$ 451	12%	\$ 53	\$ 504
Electricity bills	\$ 1,150	10%	\$ 120	\$ 1,270
Gas bills	\$ 570	4.6%	\$ 26	\$ 596
Other taxes				
Emergency Services levy	\$ 90	2.7%	\$ 2	\$ 92
Council rates	\$ 1,145	12.3%	\$ 141	\$ 1,286
NRM levy	\$ 30	6.0%	\$ 2	\$ 32
Save the River Murray levy	\$ 36	3.6%	\$ 1	\$ 37
Total costs	\$ 6,662	11%	\$ 750	\$ 7,411

The Government increased per kilolitre water charges by 40% from 1 July 2011. The average household will pay \$189 more for water next year – taking the total payment to over \$1,000 per annum (including sewerage fees). **Average water bills have trebled under Rann Labor.**

South Australia's vehicle registration costs are not competitive with other states (these costs have increased by 4.3% in this budget). South Australia is also among the highest taxing states for CTP insurance¹⁰ (premium up by 2.7% in this budget) and for stamp duty payable on other insurance policies.

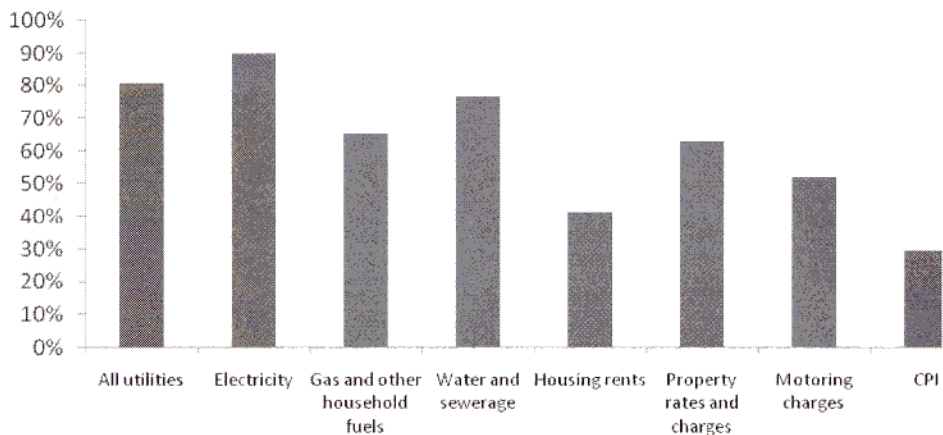
Property tax revenues have more than doubled under Premier Rann, primarily due to increased stamp duty and land tax. Aside from Victoria, South Australia is the least cost-competitive state for stamp duty. This is a huge impost on first home buyers and damages our interstate competitiveness for prospective migrants and businesses.

¹⁰ Insurance Commission of Western Australia, July 2010

Land tax has increased by 346% under Rann Labor. These costs are not only paid directly, but are also passed on to commercial and residential renters and to the goods and services we purchase.

The Emergency Services Levy, Save the River Murray Levy and Natural Resource Management Levy have all risen to record levels under Rann Labor.

Table 6.2: Increase in living costs in Adelaide, March 2002 to March 2011



6.2 Small Business

The State's payroll tax regime is a disincentive to job creation and also impacts upon the interstate competitiveness of South Australian businesses.

However, the State Liberals welcome the Government's adoption their policy of payroll tax exemptions on the wages of apprentices and trainees.

Flagging employment growth has caused SA's share of the national jobs market to decline significantly. If growth in South Australian employment had kept pace with national growth since Labor came to Office, there would now be 38,000 more people employed in the State!

WorkCover in South Australia has the highest levy rate for employers, the highest unfunded liability and the lowest funding ratio of any scheme in