

HOUSE OF ASSEMBLY

THURSDAY 16TH FEBRUARY 2012

ADDRESS IN REPLY

Adjourned debate on motion for adoption (resumed on motion).

Mr SIBBONS (Mitchell) (15:37): I will lead off by continuing on with my remarks that we are one of only 13 nations in the world today that can create a vehicle from the ground up, starting from the design right through to the showroom floor. It is important to recognise that every one of these 13 countries offers some form of industry assistance to their vehicle manufacturers. Why? Because they understand the strategic importance of this industry in terms of investment, jobs, skills, innovation, exports and research and development.

The Australian automotive industry accounts for around 10 per cent of the total business R&D and more than 20 per cent of R&D undertaken by the manufacturing sector. The value of R&D is that developments that may never end up being used in the automotive sector can often be picked up by other industries, including health, agriculture, defence and space science, just to name a few. Therefore, the spin-off value of a strong R&D sector should not be underestimated.

That is why countries that have the capacity to design and manufacture value this capability. They recognise that it is a contributing factor to the broader prosperity. Labor recognises this, too. We understand that our manufacturing sector is too precious to lose. We know the challenges are great, the competition fierce, but we will not take the easy road and abandon these industries that bring so much value.

There are many other challenges ahead. The impact of climate change and the shifting of the world's political and economic power from developing countries to emerging nations are both issues which in some way will determine how South Australia will look in another decade. The CSIRO has warned that as a result of climate change we face a future in which drought, bushfires and heatwaves will play an increasing part in our lives. Our relationship as a trade partner with the Asia-Pacific region will obviously become more important than ever before. At the same time, our positioning as a defence hub will also be paramount, providing new opportunities for increased employment and skills in this sector.

Water and energy security, housing affordability and supply, the development of contemporary law and order policies to address the emergence of cyber crime will require hard work, commitment, vision and the willingness to take action now and in the preparation for the years ahead. Boldness, courage and commitment to get the job done for the long-term prosperity of our state will be the qualities needed over

the next 10 years, and Labor is the party to deliver them. We can not afford the short-term, easy road that history tells us that the Liberals will take us down.

Mr PEDERICK (Hammond) (15:42): I rise to congratulate the Governor on his delivery of the speech written for him by the government. I would stress that anything I say is no poor reflection of the Governor. I think he is doing an outstanding job for this state. He has given outstanding service to this country previously in the navy, and I applaud the fact that his position has been extended for another two years.

In relation to the Governor's speech, written for him by the Labor government, I refer to the phrase that 'the government understands that many South Australians are troubled and uneasy about the shifting and uncertain times the world now faces on so many fronts'. I think we see that when we look over at the other side at members of a Labor government that have a 9.8 per cent swing in front of their eyes, when they realise how many of them will not be here if that swing goes through at the next election. I think there is certainly a concern on the other side that that Labor seat, that bastion of Port Adelaide, has now become a very marginal seat.

Reflecting on the Governor's speech, the government have said that they believe they need to act and embrace bold new approaches. What have they been doing for the last 10 years? Just running the state bankrupt? That is what I think is going on. We are heading into a deficit of \$11 billion, and the state is going backwards fast.

The government indicate that they have reviewed where the state stands now and is making decisions about where the focus needs to be for the future. Why did they not start that a decade ago when they got into government, instead of just spending those rivers of gold that came with the GST that was coming into this state? They were rivers of gold, unallocated funding that this government did not bank on, and all of that has just been frittered away by this government.

I will start on the seven primary areas that the government is supposedly interested in. It was interesting that the speech was headed with reference to the clean, green food industry. We have a fantastic clean, green food industry in this state, and I should know: my family have farmed here since 1840. My property at the moment has been leased out since 2005 but we still live there and very much enjoy being part of the rural lifestyle, and I certainly enjoy the odd time when I can do a little bit of work on the property.

To think that this government thinks about the clean, green food industry of the state when we are in the current budget cycle where they have slashed \$80 million from Primary Industries funding. Towards 400 jobs have gone in the last two years

from the primary industry sector in the government sector, and this is a government that comes out in the government speech trying to tell us that they are worried about the food industry. I really could not think of anything further from the truth.

This is a government that does not govern outside Gepps Cross and Glen Osmond. Hang on: they do govern up in Ramsay and Salisbury. They were fortunate to keep that seat, but it is a very short-sighted government, and I was actually shocked to see that they supposedly are concerned about a clean, green food industry.

When you talk about some of these cuts that have come out of Primary Industries funding, we see a slash of \$12 million in Rural Solutions which is the extension part of Primary Industries. We see that the South Australian Research and Development Institute (SARDI) has cutbacks of \$8 million over four years. We see cutbacks where fishermen have to pay more fees—and in aquaculture, more fees—just to run their businesses and here we have a government that just thinks they can pillage private enterprise because of these massive budget cutbacks to the food industry.

I would like to think of one issue where the government has actually helped out the food industry in this state because I am really struggling to find it. We see that the government has ceased funding the Advisory Board of Agriculture, and that will happen. The funding for the advisory board has been scaled back for this financial year, and that will completely cease to exist. I should say that the funding will cease to exist: the advisory board will not. The funding will cease in June this year and I think that is an absolute disgrace when this government comes out with one of its lead statements that it is committed to the food industry. It was because the former minister for agriculture, who believed that he was the greatest agriculture minister in the world—

An honourable member interjecting:

Mr PEDERICK: He certainly thinks so.

An honourable member interjecting:

Mr PEDERICK: No, he made the statement that he thought he was the best agriculture minister in Australia, and that is a fact.

Mr Whetstone: Better than minister Caica?

Mr PEDERICK: Better than minister Caica, by the sound of it.

The ACTING SPEAKER (Hon. M.J. Wright): Point of order!

The Hon. P. CAICA: I am not quite sure that that is actually what the former minister said and I would just request that the shadow spokesperson be factual in what it is that the minister said, not what he thinks it was the minister said.

Mr PEDERICK: I am quite sure that he said he was the best agriculture spokesman in the country, and if anyone wants to prove me wrong I am happy to come back to protect the record. But I really struggle with how this government thinks it is supporting agriculture. This minister decided that he would cut the funding to the Advisory Board of Agriculture, so the board, which has been going for well over 100 years in this state, is going to have to rely on its own funding so that it can keep up this vital work of giving advice to the government. But when you have a government that believes it does not need advice, it is just totally outrageous.

The minister set up this higher level group, this business group, and there are a lot of good people on that group and I have no problem with the people on this higher level group, but they are at the next tier of primary production in this state. They should be listened to as well, but we still need to see the people at the ground level of primary production listened to in this state.

We also saw back in 2010 that the minister had no funding to replace the Premier's Food Council. The Food Council at that time was to be replaced with a new strategy group—as yet frameless and nameless—to consider the opportunities available. More Labor cutbacks, and here they are making out they are looking after our food industry, but I will expand on that later.

We have the state government talking about the mining boom and its benefits and the claim from the Premier yesterday—and he tried to back it up today in question time—that we will be matching Western Australia in a decade's time as far as money that comes back to the state in royalties. We will have to match \$4,800 million. We would have to be producing, on a gross value of mining, somewhere in the realm of \$80 billion to \$100 billion worth of mining to be anywhere near that mark. It is just ridiculous that this government thinks we can get \$4,800 million worth of royalties into this state in that time.

Olympic Dam will spend six years, when they get the go-ahead—and I know there is initial work going on—to open up that site. I know there is a lot of mining opportunity around the state as well and I hope a lot of the potential goes ahead so that it can help invigorate not only our mining areas but our regional areas and our grain growing, because we certainly need some more access to ports with our grain farming to get more competition into the market.

The government also talked about advanced manufacturing, and we see people that just cannot compete in this state and take their industry elsewhere. The government talks about a vibrant city. What about the vibrant regions, the powerhouse of this

state that drives the economy in this state? The government talks about safe and active neighbourhoods, yet we see shootings and crime gangs out of control. You cannot even go out and have a cup of coffee and feel safe in this city.

The government mentioned affordable living, where we see the price of water going through the roof, for people not just in the city but also in country areas. Early childhood funding was mentioned. Let us see the early childhood funding that keeps the childcare centres open, unlike the ones that have closed in my electorate. The government is saying they must make these choices that are strategic and fundamental to the changed direction of this state. Well, they have a lot to do and I wonder what they have been doing for the last decade.

The government's speech talk about the innovation of the food industry and that the spirit of innovation needs to continue. Where is the support from government for that? They are walking away from SARDI. That will end up in Adelaide University's hands. What will become of the \$70 million to \$90 million worth of assets? I believe they will be gifted, quite frankly, and there is another loss of not only income but also income from the learning, the strategy and the teaching that we can have as a state.

There was also talk about the legislation that this parliament will bring in to preserve the districts of Barossa Valley and McLaren Vale. At first thought, a lot of people would suggest that that is a great idea, and on face value it does sound like a great idea, but what happened to Mount Barker? There was no planning there, with all the explosion of building and development, where development was going ahead of strategic roads and strategic infrastructure to keep that going.

We already have people that are concerned about their future in what they may do with their properties—people from the Barossa and the Sellicks area who are frightened that they will not have any option but to stay where they are, pay high rates and not have an option to leave their land. I have a fundamental thought that in a lot of ways we should not tell people how to manage their lives and how to manage their business, that we should let the market do the job.

I also question how people are going to make it work into the future. I actually got the price on 200 acres (or 80 hectares) of land at Bridgewater—\$1.8 million dollars the real estate agent quoted me—and I thought, 'Well, how can you make that work for primary production?' Do not get me wrong, we absolutely need primary production in this state but it has to be done in a viable manner. You have to do it in a cost-effective manner and I cannot see that you could produce enough off that amount of land to make it viable, but that discussion will go on.

The government says that it will take whatever means necessary to save the Murray, and the concern about the depletion and pollution of the Murray overallocation. Yes, there has been overallocation. We saw the minister suggest only today that he

cannot guarantee the allocation for this state's irrigators. I know as much as anyone, having the electorate at the end of the river, not only how much the irrigators but also how much tourism and the environment need this river. You only need to talk to anyone in the MDBA to find out that there will be at least 5,000 gigalitres coming down the northern basin side, out of the Darling. This will be coming out of the already full Menindee Lakes and down through Lake Victoria, and there will be a massive amount of water coming into this state. So, I cannot see why the minister—just on that amount of water coming through without the southern basin—cannot tell our irrigators that they can have full allocation this next year.

The Hon. P. Caica: It's called rules.

Mr PEDERICK: Yes, there are rules.

The Hon. P. Caica interjecting:

Mr PEDERICK: If the minister wants to make a contribution, I am quite happy for him to do that later on. He should give the industry certainty so that we do not have irrigators through the Lower Murray, the Mid Murray and up in the Riverland losing out because of poor decisions—

Mr Whetstone: Again.

Mr PEDERICK: Again—thank you member for Chaffey—because of poor decisions made by the state government in regards to allocation. It has really knocked people around in regards to carryover, whereby many people have lost a lot of money in regards to the programs around how carryover water could be managed, and about the water that they have lost, and there is a lot of anger right up and down the river.

We see the government and the Premier—he seems to have tempered his call on the 4,000 gigalitres for the river, and he is threatening a court challenge if we do not get it. Well, I think the Premier wants to be careful, and the Labor government wants to be careful, because this is just the type of language that the eastern states want to hear. They want South Australia to basically poop in its own nest so that they have an excuse to say, 'Bad luck fellas, you are not going to get the water.'

It is not so much the number that he has come up with, it is how we use the water: how we use it strategically for the environment; how we use it for irrigation so that everyone can win; and also for our tourism industries. If we do not get this plan right now we will never get the plan, and it will be on Labor's hands in this state if they put the boot in that hard, and the eastern states say, 'Sorry, you are not going to get enough.'

I want to talk about how the government says it will establish a bipartisan committee to explore the potential for a future fund. As the leader said in this house the other day, 'What are they going to do? Borrow some more money to put into the future fund?'—the great Liberal initiative from three months ago, because that is what it is. They will have to borrow some more money. because there is a \$9.1 billion investment basically going into the city, and it is sending our state broke.

I look at the Adelaide Oval program. We were going to build a city stadium on this side of the house, and the government panicked and had to come up with its own policy, but to fund it they will sell the forests and sell out the future of the South East. We still cannot get any clarity on how many rotations they are selling: is it one, two or three? I know the minister was asked in the other place, I think it was yesterday, how long a rotation was, and she had no idea. No idea. When you have a minister for forests who does not even know that a rotation is 37 years, that is tragic. It is a sale that will decimate the community of the South-East, and not just for the thousands of workers involved but for the thousands of other people reliant on that. It is the mainstay of the South-East economy. It is an absolute shame.

Then the shops are going to be open. Yes, the shops are going to open, and that is the new legislation the government is going to bring in. That is fantastic, but we have Peter Malinauskas from the SDA (he calls the shots over the other side) and Business SA saying, 'Yep, we'll do that. We're going to have two half-day public holidays.' But if you are running the Innamincka Hotel you have to pay those rates as well. You are nowhere near Rundle Mall or Adelaide or anywhere there. All those regional towns and all those regional areas throughout my electorate—whether you be at Pinnaroo, Goolwa or Tailem Bend, anywhere throughout there—have to pay those rates if this legislation gets through.

Then the government talks about being close to public transport, being near essential services. That would be great. I would love public transport. I would love the buses to come a bit further down the freeway to Murray Bridge. I think that would be a very sensible plan, especially in light of the development there—apart from other developments with respect to the racetrack—with 3,500 homes to be built there.

You do a bit of driving around the city and you look at where they are going, heading up to Freeling in the north and Aldinga in the south, and Murray Bridge is pretty equivalent as far as the distance out of town is concerned. People can get very affordable living. If we could only get public transport out there it would make it a lot easier for kids in terms of university education and for people to commute to work. It would be a fantastic initiative.

Then we see that the government is saying that it wants to find other ways to reduce the burden of living costs on working families by developing flexible payment options for service charges, well-targeted concessions and specific relief initiatives.

Instead of hitting you with one big bang, they are just going to bleed you slowly to death. It is incredible—the rates, the power prices, gas and water.

We have farmers who have to get their water through the Murray off the pipes, off the reticulated system, paying close to \$3 a kilolitre. As one farmer budgeted, that is costing \$20 per animal, \$20 per sheep. It is just a good thing sheep are where they are, but it is getting very close to being uneconomic. I know that the member for MacKillop and I, as well as other members, fought in here when the Water Industry Bill was debated last year trying to get some reality in regard to the price of water, but the government will see nothing of it. It will not be happy until there is a desert of farms out there, right across this state, that cannot keep stock going.

An honourable member interjecting:

Mr PEDERICK: Well, you just want to go out there in the real world. Say that someone has a pipe leak. I know that the Coorong council has a seminar coming up, and I notice that some technology is being developed so that people can be sent a message from a water meter when it suddenly goes berserk when there is a leak so that they can catch it, because you don't get too much sympathy from SA Water when you do have a leak. I know that I had a water meter that only lasted about four years and it had to be replaced the other day.

The Hon. T.R. Kenyon interjecting:

Mr PEDERICK: Well, they are not very sympathetic when you have an excess bill of \$3,000, I can tell you.

The Hon. T.R. Kenyon interjecting:

Mr PEDERICK: Yes, that is what causes the excess bill, Tom. You want to get out there and have a look. I just want to talk about some of the issues which affect this state but which also centre on my electorate. I want to talk about the risk of branched broomrape. I have mentioned before that the government and the National Review Committee are walking away from the management program as far as branched broomrape is concerned.

We had a meeting the other night which one of my staff attended. Will Zacharin, the head of Biosecurity, has had a casual chat with Viterra. These are the main players in our grain industry and Will Zacharin tells our farmers that he has had a casual chat with Viterra about whether or not it will take our grain. They are having a meeting soon. What is happening there?

We have got people with stock. Will they have markets with their sheep—with their hoggets and young lambs? Will there be an issue with wool? At least the government

is saying it is going to monitor some cropping ground for the next three years. Will Zacharin has actually made the comment that there are other major weed problems—well, they are not quite the same as broomrape—and he reckons there will be no problem trading and there shouldn't be any different stock demonising it. The problem is, Will: your job has been about cost recovery in the fishing industry and you are belting up the agriculture industry with the same thing, and these people will not be producing anything to be able to pay the bills.

This is a real problem. People are coming into a season where the main funding—the funding for 10 years of \$45 million—cuts out at the end of June this year, and I am afraid hundreds of farmers in my electorate, the electorate of Schubert, and there may be some in the member for Chaffey's seat—

Mr Whetstone: Yes.

Mr PEDERICK: —will be affected by this, and it is just a disgrace. This is what we see in the Australian Year of the Farmer. We see governments just walking away from their funding commitments to primary industry in this way.

I was talking previously about the payment plans for people with services. I wonder what the government is going to do with its debacle of Shared Services. It is an absolute debacle that was supposed to save tens of millions of dollars. I have almost had my phone cut off and I know some other members over here have had their phones cut off because they cannot even pay the phone bills. I have members on my side who have decided to fork out of their own pockets, who are subsidising this state Labor government by paying their phone bill so they can keep in touch with their constituency. That is an absolute disgrace, and I am sure it is happening on the other side of the house. You need to talk to your Treasurer and tell him to reverse this decision because this is an absolute disgrace.

How can the Treasurer manage the finances of this state when they cannot even pay politicians' phone bills? It is an absolute joke! That is why we are in such a mess in this state. The phone company rings you up and says, 'Mr Pederick, your phone bill was due last week. Why hasn't it been paid?' I said, 'Well, you ring Treasury and Finance to sort it out. Sort it out with the Treasurer. It's not my issue. It is my issue, though, if you cut my phone off.' Thankfully, I have not had to subsidise the state government and pay my own phone bill.

Mr Whetstone: I have.

Mr PEDERICK: I know the member for Chaffey has, and others.

Mr Treloar: I've had my phone cut off.

Mr PEDERICK: And the member for Flinders has had his phone cut off. So, come on, Jack, pick up the ball and just get on with the job and reverse this flawed decision of Shared Services. It is costing the state tens of millions of dollars. Put the money back into the regions, put the pay officers back out there in the real world and let's see something really happen.

As I said, the Australian Year of the Farmer is a great initiative. We see the nine vehicles heading around the country and we on this side fully support them and I wish them all the best. I think it is a great initiative to promote Australian produce, and we will certainly see them at all of our local shows.

I want to talk about the Dukes Highway which runs through my electorate to where it runs out just north of Coonalpyn. I have argued in the Public Works Committee and talked in this house about the simple fact that the Dukes Highway should have been duplicated. We are now in the middle of seeing \$100 million of overtaking lanes going in, and I must say there are a lot of them going in between my property at Coomandook and Tailem Bend, so that no-one thinks I am not declaring my interest. These will be good, but what a halfway measure.

The government could have bitten the bullet—and most of this was federal money—but it started putting in dual lanes at \$5 million a kilometre when it could have done the job properly. In fact, what is going on out there at the minute is we are going to have the road widened and there is going to be a metre wide strip in the middle so that you can poke your nose out a bit so you can see if you can overtake. What everyone has said to me when I mentioned that to them is that we will end up three abreast and there will be a bunny in the middle. So we will see how it goes.

I do wonder at some of these so-called safety upgrades when you see, I think it is, about 150 metres of wire rope go in on an island at Tailem Bend on the south side near the Meningie turn off. I have never seen anyone run up. It is a built up island, several metres wide, and obviously runs narrow at one end, and I think, 'The only man who made any money out of that was Mike Mason.' And, good on you, Mike, you do a good job. Mike Mason Fencing—I know he does a lot of government contracts and he does do a lot of those wire rope contracts, but I just wonder: why was it done there? I cannot see the need.

Regarding roads, we see the easy out by this government. Instead of carrying out road maintenance it reduces the speed limit by 10 kilometres. What do we do next year if it does not want to spend any money? Instead of coming down from 110 to 100, it will go down to 90? It is ridiculous.

In the few minutes I have left I want to talk about what is going on with the 5¢ grain levy paid by farmers. I think it has been disgraceful on all sides. That the industry has not been able to sort this out is an absolute disgrace. The South Australian Farmers

Federation had a grand opportunity to let the farmers of this state, all levy payers, not just SAFF members, vote to put people on the grains committee, but no, it did not take that opportunity. We had Grain Producers SA set up. SAFF decided to change its position. There was a document signed on 14 October by several people. Peter White from SAFF signed it and then he walked away. He is doing a deal now with Grain Growers Limited.

I offered to assist the minister to get a bipartisan approach to this issue and to sort it out, but that did not happen. The minister rang me up one day and said that she was meeting with SAFF and she was going to organise a primary industry funding scheme. So, the industry has stuffed it up because it has lost control of it, the minister has taken over and Labor has won the game. This is what happens with disunity. I hope that we get some common sense into this and the minister realises that we could have found some common ground and got on with this and got the job right. At the end of the day, I do not see much hope for this state under this Labor government.