

HOUSE OF ASSEMBLY

THURSDAY 6TH SEPTEMBER 2012

AGRICULTURE SECTOR

Mr PEDERICK (Hammond) (14:51): My question is to the Premier. Following the postponement of the Olympic Dam expansion, how does the government expect agriculture to support the South Australian economy when Labor has announced:

1.a cut of \$80 million and 180 jobs within the agriculture budget two years ago;

2.a cut of \$12 million in this year's agriculture budget; and

3.a cut of \$1 million in agriculture, research and development funding?

The Hon. J.W. WEATHERILL (Cheltenham— Premier, Minister for State Development) (14:52): Well, partly by pursuing some of the initiatives that we saw outlined in today's media, announced by the Minister for Agriculture, minister Gago—an excellent initiative to open one-stop shops in China to showcase our premium food and wine in the largest growing market in this region and in the world. The growing middle classes of China will have extraordinary demands for our pristine food and wine and our seafood, things which are incredibly highly prized in China. There are serious issues with food adulteration in relation to China, and they have a massive interest in sourcing their food and beverage from a jurisdiction which has a reputation for cleanliness and safety.

This is a massive opportunity—it is a massive opportunity for the member for Light, for the member for Mawson and for the industries. Of course, it is a massive opportunity for the member for Taylor and all of those members who cover districts which have our wine and food industries but also the associated manufacturing and processing industries which draw so heavily on those industries.

So, this is a massive opportunity for us. But, once again, in a similar way to our manufacturing sector, we do suffer from being a high-cost jurisdiction. We are high cost because we pay good wages, we insist on high safety standards and high environmental standards, but they are the very same things that enable us to market ourselves to the world as a clean and safe destination for food and beverage products. This is the agenda that we are promoting. We believe that the future for us is to differentiate our products based on these characteristics to add value to them.

I was recently in the Riverland. In fact, I have spent a lot of time in country electorates in the last few months, and I was very warmly received, not least of all by the local member for Chaffey, and I do thank him for his hospitality. Up in the Riverland, I saw some fantastic examples of people adding value to food and fibre in those areas. I saw the way in which farmers were dealing with the constraints that were imposed on them by having less water and the high Australian dollar; nevertheless, they were carving out niches for themselves in

international markets by producing high quality food and beverage. It is happening already, it needs to accelerate as we meet the challenges of the future; that is why we created an agency that brought all these things together. We now have an agency dedicated to food, tourism, fisheries and regions—all in the same department.

That has been an initiative that's been welcomed by the farming community in this Year of the Farmer and we continue to advance those agendas. It's at the heart of what we are trying to do in the South-East. It's at the heart of what we are trying to do in the Riverland. It's informing the approaches that we are taking to negotiations with the commonwealth in relation to the Murray-Darling Basin plan and it is the future for our food industries in South Australia.