

## HOUSE OF ASSEMBLY

TUESDAY 26<sup>TH</sup> JUNE 2012

### APPROPRIATION BILL 2012

**Mr PEDERICK (Hammond) (19:43):** We are indeed privileged, as members of the House of Assembly, to be speaking in the other place, which is now the House of Assembly, so I am not sure whether to call it the other place, and we are in the other place and the House of Assembly is the other place. Be that as it may, I hope we do the house justice and appreciate the upper house allowing us to sit here.

In my response to the estimates of the last few days I want to mainly reflect on my portfolios of agriculture, food, fisheries and forests. One of my first questions in estimates was about the Governor's speech, which is essentially written by the government for the Governor to deliver, and clean, green food is supposedly one of the seven pillars of this government. Yet, in the budget speech it was not mentioned at all. That just shows the importance of agriculture and food to this state Labor government. Not once was it mentioned in the speech, but it was put up in the Governor's speech. I do not reflect on the Governor, because his speech is written by the government, but it was not even mentioned, which I think is disgraceful, quite frankly, because we do have a vibrant agriculture industry.

I note the government always talks about the crops we have had in the last couple of years, the over \$4 billion contribution in each of the last two years from the crops, as if the Labor government was responsible for the rain. Obviously they were not and a much higher authority was, but they will certainly take the taxes and whatever they can get out of the farmers who are paying tax after some tough times and paying their way when they can make a profit.

I was interested in the accelerated plant breeding at the Australian Centre for Plant Functional Genomics. This is one of the small, bright lights, and I thought it was applicable to agriculture—that is, \$780,000 extra being put in for wheat breeding. The minister said to me, 'That that is not my line of questioning. I am not the minister.'

**The Hon. S.W. Key:** No, it is in Tom's.

**Mr PEDERICK:** As I am being reminded again by the member for Ashford it is in Science and Information Economy. It is in another portfolio and that is fine, but I would have liked to think—

**The Hon. S.W. Key:** We were not being rude; we were trying to—

**Mr PEDERICK:** No, I am not being rude, I am just making a point. You can make your point if you want to make a speech, but I would have thought that the agriculture minister might have known something about wheat breeding—even acknowledging that it was in another portfolio—and at least acknowledged that this money was going to help the agricultural industry, but the minister could not find anything positive to say even about that.

As we have seen over the last six years that I have been here, and I am sure previous to that, if a minister does not like a question (and I certainly noticed this when I was shadow minister for the River Murray) they fob it off and say, 'No, that's an environmental minister question,' or the other way around. I note that this year we lost a lot of time, and the leader talked about the allocated time over the whole of estimates being cut by nine or 10 hours, and agriculture certainly lost half an hour. I note the statement of minister Gago, when she says:

The South Australian government values the significant contribution agriculture makes to South Australia. Our vision is for an industry that is prosperous and sustainable.

It is hard to believe that this government will achieve this vision with the amount of cuts progressing through to the year 2012-13. We are currently in a four-year budget period when we are losing \$80 million over that time. We have projected \$24 million more coming out of agriculture, as well as another 98 jobs on top of about 400 other jobs that have gone in recent years from Primary Industries. We now see, because such a dearth of talent has gone from Primary Industries, that they are advertising for a director of agribusiness for Rural Solutions so that they can get someone out of the private sector to assist. I believe that too many good people have accepted packages and, essentially, left the building, and it has been a great loss to the industry.

It was not very clear on these job cuts over the next three years whether it was 50, whether it was cumulative or whether it was 98; certainly the budget paper states that it is 98, although I could not get a sensible answer during estimates. Any of these losses are significant when we have already seen massive cuts in funding right across the board in agriculture. I then asked some questions about the Cadell ferry and wondered whether the minister had lobbied minister Conlon, the transport minister, on the effect that closing the Cadell ferry would have on agriculture in the Riverland. Certainly, there had been none of that—no thought at all in regard to agriculture there.

Minister Gago is also the Minister for Regional Development. I talked about the Liebich family who have land on either side of the river at Cadell and do hundreds of trips annually to shift equipment and use the ferry for contractors to get across the

river and back. I reflected mainly on this one farmer, but there would be not only many farmers and contractors, in relation to agriculture, who need to access this ferry but also people who need it to attend schools and as access for emergency service vehicles. Yet we saw what I called in my estimates questioning an act of political bastardry, when a few weeks ago the Weatherill Labor government did a Rann stunt of announce and defend and said, 'In three weeks' time we are going to shut off the Cadell ferry.' How ridiculous, in this day and age, to think that one of the 11 eleven ferry crossings in this state would be cut off. What are we going to see next? Are we going to see them come down to Tailem Bend and say, 'Oh, we won't need that one open; you can all go down to Wellington?'

We had the transport people do the numbers, and, from what I am told, on the Cadell ferry in the slow time—100 vehicles a day. Well, they want to be there in the busy times, when there are so many people who need access to get across, whether it is for tourism, education, or firefighting. There was a lady—I can't remember her name—who almost lost her life many years ago, but was saved because the Cadell ferry was there and emergency service vehicles could reach her in time. Sadly, she lost her sister, but if it were not for the ferry she firmly believes that she would have died on the scene as well.

This is what we are seeing with a city-centric government that has no idea about the regions. I say that with all due respect to the Speaker (the member for Giles). She is the one regional member in this government and would have some knowledge of the regions; but she is the only one on the other side. These people need to wake up and realise that it is not just small communities that are cut off by these poor decisions. We saw the Premier making his oh-so-gracious backdown. Well, he needs to think about his own doctrine, where he said that the government would consult before they make a decision—and this was to save a lousy \$400,000 out of a \$16 billion budget, and we can reflect on the decision with Keith hospital that had to be backflipped on as well.

I have already talked about the clean and green food bowl, and the lack of the government talking it up as one of its seven strategic priorities. There is a \$50 million decrease in operating expenditure from the 2011-12 budget to the 2012-13 budget, and we note that Primary Industries and Regions SA is one of the only agencies to see a continued decrease in operating expenditure from 2011-12 through to 2014-15.

Something else I also want to talk about is how the government wants to get clear away from research and development in this state, in regards to agriculture. In the past, and even now, we have one of the premium research entities in the South Australian Research and Development Institute. The government, in their early negotiations with transferring SARDI over to the University of Adelaide—this was supposed to be done by 30 June this year, but negotiations are still being finalised.

Even though I am not entirely happy about this, I firmly think that this is our only way forward for research and development in agriculture in this state, because the government, from what I understand, has just wanted to walk away and say, 'No more money; no more money to agriculture research and development.' The minister went on the record and talked about how the negotiations will be finalised, and said the merger is worth a lot of money. She also said, 'There are a number of complexities associated with it, and it is important that we take whatever time we need to get it right.'

I asked the minister about the \$70 million-plus of SARDI land-based assets, which include assets such as the Minnipa research station, West Beach (where a lot of the fish research is taken out), Turretfield, and Struan. There are a whole range of entities, that are worth \$70 million-plus, and the minister would not rule out whether these entities would be gifted to the University of Adelaide. What worries me is whether they will be sold off as time goes on as assets that the university does not want in the future, as it has done with some of its farms in the Mid North.

I want to talk about branched broomrape, which has been a big issue in the Murraylands, and my electorate has a lot of the branched broomrape impact in this state. We note that the funding will be cut back from about \$4.5 million a year of state and federal money. In the last 10 years about \$45 million has been invested by governments and about \$70 million of farmers money. I have certainly been concerned about where we go in the future with the branched broomrape. I admit that some farmers are saying, 'Look, we can't beat it; its just another weed; let's just get on with life.' Others say, 'No, we must keep up the controls.'

I met with the Victorian minister just to get his angle on it to see that we do not have any trading restrictions across the border, and he said, 'No, I'm pretty sure everyone's going to be signing off at the cross-ministerial meeting so there won't be any restrictions on trade.' I hope that goes on in future, because this program has taken a lot of energy from a lot of people. The community consultation committee, headed up by John Berger, a very good man from up Wanbi way in the Mallee, now living in Murray Bridge, is doing a great job in making sure that the community can hear from the departmental people on a regular basis what is going on.

We are seeing a massive cut in funding to this program because we are going from eradication to management, and the federal government is only putting in \$400,000 this next financial year. I suppose I should be thankful when I ask the minister whether the state government will be matching that funding, and they will. We note across the sectors that there is more cost recovery; there are cost-recovery implications in the aquaculture industry, but there is really only a \$185,000 in real money increase in the aquaculture sector, which will be a major sector in promoting and filling our seafood void into the future as we need to feed more mouths. It does

not say that we will not have a lot of wild catch, but aquaculture needs a bit more attention so we can promote it into the future.

I am also concerned with fisheries and aquaculture and even agriculture, where we see the property identification codes introduced. This is a cost recovery mechanism the government wants to keep imposing on our farmers and fishermen, hitting them with more costs but on the other hand taking it away. What are people paying for? They keep paying and paying and there is less and less government support. The governments are expecting millions of dollars to be put in by the private sector, yet they are more than happy to take out tens and tens of millions of dollars that would support our primary industries.

In regard to forestry, the government has decided to continue with the forward sale of the three forestry South Australia timber rotations, although the AAA credit rating is gone. This reflects on comments former minister O'Brien made down in Mount Gambier in October 2010. When he was asked by Ian McDonnell at a forum down there whether this was about protecting the AAA rating, minister O'Brien—good old honest Michael—said, 'Yes, it is; this is what it's about.' I ask, now that the rating has gone down to AA+, whether we need to sell the forests, because the impetus to keep the AAA rating has gone out the window. But, no, it is going to keep going and minister Gago has not lobbied the Treasurer to halt this sale.

In former years we have seen contributions of \$43 million, \$44 million, close to \$45 million annually from Forestry SA go to government coffers, which over 111 years would be close to \$5 billion as a contribution to government from this sector, yet we see in this year alone that where \$38 million was budgeted it has dropped to around \$18 million, and next year, because it looks like this is when the Weatherill Labor government is going to finalise the sale, forestry will actually cost the government \$3.8 million. On those numbers alone, over the 111 years of three rotations, it will cost the government \$422 million over time, without allowing for inflation. Instead of forestry being a major boost of income over time, it will become a major cost to government into the future.

There were confusing answers from the minister around the community service obligation, how the fire service cover will be maintained and whether ForestrySA will be the main provider of fire services. I was told that the new owner would provide some fire cover, then it was that ForestrySA would be the main provider and contract back to the owner of the forests, and in the end it was just, 'We are still working through that part.' It is confusing. We do not just have forests in the South-East. There are forests at Wirrabara, up in the member for Stuart's electorate—

**Mr van Holst Pellekaan:** Bundaleer.

**Mr PEDERICK:** —and Bundaleer. We have Kuitpo and Mount Crawford in the Adelaide Hills. All these forests will still need management, so this will become a cost to government over time. It is a disgraceful proposition that the forests will basically be given away for something like \$600 million when in reality it should be worth at least \$1,300 million to the economy. Another sad thing is that the funding for the Advisory Board of Agriculture ceases on 30 June. They have been serving this state for well over 100 years with grassroots advice to government, but in another non-brilliant move—

**Mr Gardner:** Suboptimal.

**Mr PEDERICK:** —suboptimal move—former minister O'Brien decided to cut that funding, and minister Gago has done nothing to replace that funding to get that grassroots advice for agriculture in this state.

Reflecting on the River Murray, we heard today during estimates that work is still being done on getting the Narrung bund and Clayton bund back to as close bathymetry as possible. Here we are nearly two years from recovery of the river and we still have interference in the river. We still have people at Lake Albert who cannot irrigate because their water is in a terrible condition. We have people there now who, because they will be paying \$3.45 a litre from 30 June, are putting in lengthy pipelines through Lake Alexandrina so they can water their stock.

Time expired.