



**Adrian Pederick MP**  
Member for Hammond

**House of Assembly**  
**Tuesday, 1 July 2014**

**APPROPRIATION BILL**

**Mr PEDERICK ( Hammond ) ( 16:48 ):** I rise to speak to the Appropriation Bill. Obviously, on this side of the house, we support the passing of the Appropriation Bill, but that does not mean we are happy with everything that is happening in the budget. When we look at what has happened over 12 years of Labor, we have seen deficits and budget blowouts, but what we have also seen, and what Labor does not tell us, are the GST payments that the Labor government in this state received for many years—\$500 million a year—which was not budgeted for, but then was blown. It just blew into debt.

That \$500 million extra that was not budgeted for is pretty handy cash. We have these pie-in-the-sky fiscal projections. We have multiple broken promises about where we are going to end up. As our leader said today, every Treasurer who comes into this house says that in two years we will be in a surplus. It has been a long two years waiting for a surplus in this state.

We look at the fiscal ineptitude of this state Labor government. We will have a \$14.3 billion debt in 2015-16. For a state that is sustained on a budget of around \$16 billion, that is a massive debt. It is clearly totally unsustainable, in my mind. We look at the deficit for the financial year that has just ended, 2013-14, of \$1.2 billion. These are big numbers. These are huge numbers for a state with a population of about 1.6 million or 1.7 million people to sustain.

What we see on the other side of the house is a government that can only come up with blaming the federal government to cover state Labor's own incompetence. But what the government will not tell you about is the \$2 billion of extra money flowing into the state over the next four years from the federal coffers. They forget to tell you all of that. That will be vitally needed to shore up our services, whether it be health, education or other support services, especially in the regions. I note the federal regional policy and program that has been announced in the federal budget of \$1 billion for Growing Stronger Regions, but you will not hear that from the other side.

We have had promises of 100,000 new jobs by 2016. Not only will this promise be broken but it will be broken spectacularly. We have actually had job losses in this state. We have seen, in recent times, more and more people go elsewhere to find work because it is just too hard; and it is too hard for the business sector to operate in this state, with the regulation burden, so they can hire more people.

We have a government in this state that promised no privatisation and no selling-off of assets. Well, we had the forest forward rotations for around 100 years sold off recently for the giveaway price of \$650 million. What a bargain. The Canadian superannuation scheme that picked up the forests must be rubbing their hands with glee. This is a \$1 billion asset, minimum. The state government basically gave away an asset that was bringing back to government—it was not costing them anything—\$43 million a year, but the story we hear from the Premier and others on the government benches is that it was high risk.

I have run a farm business, and I reckon if I were getting \$43 million a year the last thing I would be doing is calling that high risk. It is just about how you manage a business, and obviously this government does not have that capacity. We saw the Lotteries Commission sold, and tens of millions of dollars that used to come into state coffers are gone. That is high risk as well: it is high risk to own anything. It is just crazy politics.

The icing on the cake is the Motor Accident Commission. This is a government that proudly has been stating that they were not going to privatise, but here we are: compulsory third party will be run by private operators if this goes through. The government are hoping to realise \$500 million from the sale of the Motor Accident Commission. We understand it could be a lot more than that; it could be double that. It could be \$1 billion. Where will that money go? Will that just be sucked into the state's coffers, just like all the other asset sales, to pay for burgeoning debt? As I understand it, it is supposed to go into road funding, but I will not hold my breath to see that that happens—but that amount of money could easily be spent in South Australia on road funding. The legacy of this budget is broken promises, higher taxes and job losses. That is the legacy.

We have the highest capital city water taxes in the country. Not only that, we have a very high operational cost for farmers to do business. Farmers in my electorate and the member for MacKillop's electorate—and even the member for Frome with his Clare winegrowers—are screaming about the cost of water which has just gone to \$3.32 a kilolitre on the industrial rate. It is killing business and it is going to kill business for SA Water. I have tried to explain to people in government that more and more people are putting in private systems out of Lake Albert to access their water.

I know there is very serious discussion on another major proposal that will cost many hundreds of thousands, and what money will the government get out of that scheme? Nothing. Zippo. The government does not like it because people are looking for other schemes and it might end up with a stranded asset like the emergency pipeline that went around Lake Albert during the River Murray drought. What they forget is that these people are used to having water at irrigation allocation rates to water their stock and for the irrigation of their properties, but people are spending hundreds of thousands at the minimum and some people are putting in schemes worth close to \$1 million to sustain their businesses.

We have a state that has been landed with the highest business taxes coupled with incredibly low consumer and business confidence, the highest electricity prices, and extremely low economic growth. South Australia is already the highest taxed state in the nation, and this budget means that South Australian residents will be out of pocket by a further \$1,100. It is just out of control and it is outrageous.

One impact not just in the seat of Hammond but right across the state is the emergency services levy rise. It will hit farmers and people with multiple property assets the hardest. It will bring into the budget about \$80 million to \$90 million a year and we heard only today from the Treasurer that a farm worth \$1.5 million—and some people might think that is a lot of money but I can assure you that a \$1.5 million property is probably only just viable in this day and age of high costs and high inputs, and that also depends a bit where it is—has gone up \$420. There is another cost. That is around a tonne of urea that that farmer cannot buy because he has to pay this inflated emergency services levy.

We look at how it hits passenger vehicles, with another \$8 per vehicle rise in costs to those vehicles. We also see in the budget that concessions on council rates disappear from 1 July 2015, so that is another hit to people right across the state. Another cost impact we see to people across the state is the vehicle registration rise of between 10 and 15 per cent which just keeps going up. We see speeding fines and licence renewals rising.

I note that we hear from the police minister that there are no quotas but that there are benchmarks. I am not sure what the difference between a benchmark and a quota is, but I reckon they are pretty closely related and there is no other reason why there are increased amounts put into budget lines for income from speeding fines and licence renewals, but especially speeding fines. Yes, it is easy: if you do not speed, you do not get caught, but we are all only human. I know people have said to me that they have not gone far over the limit and it is \$400. I said, 'I'm sorry. You're not going to get any concession, but I take your point.' It is a large fine and it really hits people hard.

Small business and business conditions, they are extremely tough. We see the car park tax. We also have the 'fun tax' that has come in, the tax on supporting the so-called free public transport, as the Minister for Transport said, to make public transport viable. Well, it has never been viable. Public transport is subsidised at the rate of about 80 to 85 per cent, and I am probably on the low side. It has never been viable and charging people \$1 extra a ticket or whatever the number may be is never going to make public transport viable.

We have an urban-based Treasurer, who I assume went up to the Riverland this week with the cabinet, and I am sure he saw all those vital public transport links from the Riverland from Berri and Renmark through to the city because, when he came in here today and talked about getting more people on public transport and into the city, he showed he has absolutely no idea of what it is like in the real world. What does he think people from the seat of Hammond are going to do? They do not have a bus to get on to get into the city. They do not have a tram to get on to get into the city. They do not have a train to get on to get into the city.

When people come into the city, whether they are country dwellers or city dwellers, they want to come in and take part in the retail shopping or business in Adelaide, Rundle Mall and other places. They might have to pick up some large items and have quite an amount of shopping to take home. It is very difficult on public transport if you have a lot of goods to take home and it is very difficult if you live in a place like Coomandook like I do and there is no bus to take you there anyway. There has to be some reality of what happens in the real world.

Now because of this cash-strapped government we have the 'fun tax' that is going to impact on all our public events, and it is just another tax, along with the car park tax, that will turn off people attending. There is a reason the AFL wants to structure games from Thursday night to Monday night. That is because they are starting to focus on television rights. I know it is great to be at the game. I was at the game on Sunday and, sadly, the Power lost.

The Hon. S.E. Close interjecting:

**Mr PEDERICK:** And I hear a sigh from the member for Port Adelaide. We are both brother and sister in arms in regard to Port Adelaide, I will say that. Quite opposite politically, just for the record.

**The Hon. T.R. Kenyon:** We didn't know that.

**Mr PEDERICK:** You didn't know. I was just helping you out, Tom. It is great to watch but, as taxes make it harder for people to attend events, they will just stay home and view it at their own leisure. We see no new money for regional roads, yet we keep hearing about impacts of speeding and that sort of thing and we just see a government that wants to reduce speed limits. That is their answer for not spending on roads, to take the 110 km/h limit down to 100 km/h.

We have SA Water, with \$19.5 million of dividends that will not be passed back to consumers. We have health care for people in the regions, and I think of my constituents around Goolwa on the

Fleurieu Peninsula who obviously utilise the Flinders Medical Centre and people from other areas in Hammond and the cut back by the state government to the \$100 million in funding for that hospital. There are a couple of things you could say are positives in the budget.

Mr Goldsworthy interjecting:

**Mr PEDERICK:** Hard to find, member for Kavel. There has been a long debate by this government which has tried to inflict the cost of those vital ferry services throughout our electorates in the country, and certainly in Hammond, onto local government. An outrageous amount of time and effort has been put into this where the government, I feel, have a duty to pay for those ferry services, and thankfully we are seeing three of the five ferries to be replaced.

We see \$7.5 million going to the Tailem Bend Motorsport Park; that is fantastic. It will be the place with the Shahin family and the Peregrine Group for motorsport in the future in South Australia. I think it will be an absolutely fantastic facility and, for the record, we on this side of the house would have supported that as well.

Sadly, there was a policy the leader came down to announce during the election campaign about the Murray Bridge Racing Club. They have spent towards \$20 million putting in a new venue and, because of regional lending issues and that kind of thing, it has become very tough to progress that project at the rate that it should be progressing. This is not so much about racing in South Australia; this is about unlocking the potential for up to 4,000 houses in the Murray Bridge area—3,500 on the new race track site, the new Gifford Hill site, and another 500, potentially, in a couple of other areas, which will unlock a new sporting precinct, unlock a new bulky goods precinct and, over 30 or 40 years, will unlock, I believe, at least \$1 billion of investment over that time.

I will reflect now on the agriculture and SARDI cuts in the budget. PIRSA's 2014-15 budget is \$59.8 million, down by \$26½ million. Funding has fallen to 35 per cent of 2010-11 levels. This is the smallest operating budget for agriculture in over a decade, and this is coming from a government that talks about clean, green food from our farmers and our agricultural community. Well, I say: where is the support?

On top of the significant job cuts in PIRSA that have happened over the years, a further 40 jobs will go in 2014-15. Biosecurity South Australia will lose 13 full-time employees, and its budget will decrease by \$5.5 million, yet we have seen the Minister for Manufacturing, Innovation and Trade getting excited about biosecurity in here today. Well, there is nothing to be excited about biosecurity when it is losing that amount of funding. Only last financial year, the budget for biosecurity was cut by \$2.6 million.

The haemorrhaging at the South Australian Research and Development Institute just goes on. Over the last two years, 90 full-time positions have been shed, and the institute's budget will drop by \$3 million. It is interesting to note that, with the voluntary separation packages that are being offered at SARDI, an additional \$600,000 has been allocated. SARDI simply cannot afford these cuts, and its reputation as one of the world's premier research and development facilities is at risk if any further cuts to services occur.

Sadly, SARDI has been a target in successive budgets, resulting in low employee confidence and vital staff being let go. The agricultural industry vitally needs more R&D to increase productivity, and industry has been calling for increases to funding, not further cuts. Sadly, I am going to run out of time, but I seek to make some further comments in a grievance when I get the opportunity.

**Mr PEDERICK ( Hammond ) ( 20:36 ):** I rise to give a grievance to the Appropriation Bill. That was a very interesting speech we have just heard. Members on this side do stand up for their electorates, and the minister would be well aware in communication we have had over several months now—since November last year—of the school where I spent most of my education, Coomandook Area School. It is no accident that, out of an enrolment of about 160, 12 left after last year because of the debacle of funding in bush education. It is just an absolute debacle.

The Hon. J.M. Rankine interjecting:

**Mr PEDERICK:** You had your go and I kept quiet. It is an absolute disgrace when a local area school—

The Hon. J.M. Rankine interjecting:

**The SPEAKER:** I call the Minister for Education to order.

**Mr PEDERICK:** It is an absolute disgrace when a country area school cannot even hold their in-house sports carnival on their own oval and they have to travel 50 kilometres to Meningie to do it because there is not the money in the budget to water that oval. They have a swimming pool that has been out of action for 12 months, yet the education department hired the failed contractor that did the job last time.

The Hon. J.M. Rankine interjecting:

**Mr PEDERICK:** They hired a failed—

The Hon. J.M. Rankine interjecting:

**Mr PEDERICK:** You had your go. Mr Speaker, I seek your protection.

**The SPEAKER:** I did not have a go, actually.

**Mr PEDERICK:** I was speaking to the member for Wright, Mr Speaker.

**The Hon. J.M. RANKINE:** Point of order, sir: he is standing there shouting at me and pointing his finger at me, and he has the gall to ask for your protection.

**The SPEAKER:** That is an entirely bogus point of order, and I—

Members interjecting:

**Mr Pisoni:** She's a bogus minister.

**The SPEAKER:** The member for Unley has been called to order and is on two warnings. The Minister for Education is warned for taking a bogus point of order. Member for Hammond.

**Mr PEDERICK:** Thank you, Mr Speaker, for your protection. I am a quiet, unassuming member. Mr Speaker, for the Minister for Education to make the comments that she did in this house tonight, when I see the school that I love, the school I went to, being torn down through lack of funding and lack of appropriate maintenance, is an absolute disgrace. For the minister to come into this place and make out they are doing such a good job for education when 12 of those children have left that

education facility to go elsewhere, is an absolute disgrace and really hits at the heart of regional communities.

What I would also like to refer to is the funding cuts to agriculture spending in this budget. We have a government trying to ride on the back of agriculture in this state because the Olympic Dam expansion has not happened, sadly. Suddenly, we see the Premier decide that agriculture is going to be the saviour. As I mentioned in my earlier speech in regard to the Appropriation Bill, we are down to the lowest budget spend in agriculture for over a decade at \$59.8 million. It is an absolute disgrace.

I refer now to the Australian Centre for Plant Functional Genomics. It is having a severe cutback and the Chief Executive Officer Michael Gilbert outlined these cuts. In 2013, the South Australian government advised that it was reducing its annual investment to \$260,000, down from \$1.8 million. The GRDC has now advised that due to this drop in equity funding it will from 2015 withdraw core equity investment and only fund the Australian Centre for Plant Functional Genomics on a project basis. This means that the ACPFG will lose the financial base to protect and generate value from the intellectual property it has developed over the past 11 years. We are also in danger of losing key scientific staff and the essence which has made ACPFG unusually successful.

Without this funding it will lose the protection of its IP, lose the capacity to grow the international research contracts, lose the capacity for further business development from its IP and lose world-class capacity to grow the future local grains industry. These budget cuts will result in significant research capacity being lost from an industry that will be central to South Australia's economic future.

Agriculture is a vital component of our state's economy. There needs to be more support for our farmers and regional towns. Our farmers are one of the biggest earners in the state and need to be supported to assist growth. There needs to be more significant investment in growing our exports as this industry has the ability to significantly grow our state's economy.

I will now state a few facts around what has been happening: food exports from South Australia have only grown by an average of 1 per cent annually in the past decade—what an abysmal performance that reflects the lack of state government assistance; livestock exports have decreased by 10 per cent; dairy exports have decreased by 10 per cent; and seafood exports have decreased by 5 per cent. Even with all these cuts, the food industry is still the main driver of the state's economy and employs nearly 20 per cent of the workforce.

There is a lack of any strategic long-term plan for agriculture in this state. Agriculture has been asking for a long-term plan for years but the Labor Party continues to ignore them. The Liberals promised a plan at the last state election which was well received by industry. Regional South Australia, I believe, will be the future gateway for the state's prosperity and growth but the Labor Party continues to abuse it.

River Murray funding has been cut once again. The government will spend \$4.3 million less on the River Murray, the Lower Lakes and the Coorong environmental programs. A lot of these programs involved community engagement with community volunteers doing their bit to shore up acidic shorelines and doing what they could to make sure that there was some environmental health in the lower reaches of the Murray.

Natural resources management has been stripped right across the board of \$1 million in annual funding across the state. What we will see is that these NRM cuts will most likely be transferred to farmers who will be hit with more levies and more costs. With regard to the regions, we need the Minister for Regional Development to stand up for our farmers in the regions.

I will just make a point about job losses in this state. In May 2014 there were 2,500 South Australian jobs lost in Adelaide but 1,400 jobs were lost in regional South Australia and there were 4,000 more unemployed in regional South Australia in May 2014. The regional unemployment rate increased from 6.1 per cent to 8 per cent in May 2014. It is the worst jobless rate of all the regions in the nation. It is an absolute shame. The unemployment rate for the Mid North of South Australia, where the Minister for Regional Development resides, is now at 9.3 per cent. That is in Geoff Brock's own electorate.

I want to close my remarks by talking about marine parks. What a flawed policy; what a disgraceful policy coming into play on 1 October this year. We will see a massive impact not just on fishermen but on whole communities, especially seaside communities. It is a whole service community to fishermen: people who service boats, holidaymakers, caravan parks—there is a whole range of impacts that will be felt right downstream from where the fish are caught offshore. Sadly, what we see is an environment department with some misguided view of the world; they want to take over the fishing industry from the primary industries department. We have the Fisheries Management Act, which is world recognised as being some of the best—if not the best—legislative framework to manage our fisheries, yet, no, the green zealots in the Labor Party think there is a better way.

Because there is about only one person on that side now who has ever run any sort of business, they have no idea what impact this is having. I know that the Ferguson family on Kangaroo Island is already shifting out one-third of their boats; they are gone. They have made that decision, those boats are going. All that regional input is lost to this state because of this flawed policy. It is going to hurt communities all the way from the Far West Coast right down to the South-East of this state, the impacts of these no take zones. They have not been planned at all; they have just been put in by zealots where they think it is a good spot to have no-take zone, when it has been perfectly well managed under the Fisheries Management Act.

I note that in the last couple of days the head of the environment department, Allan Holmes, when asked on radio about how this will be policed—because the environment budget has been cut by millions—said 'Oh, it will be self-policed.' Well, good luck with that. It is a very sad budget, and it is a very sad budget with regard to agriculture and regional South Australia. Let us hope this government is not here for too much longer.