

## **MURRAY BRIDGE RACING CLUB**

**Mr PEDERICK ( Hammond ) ( 11:09 ):** I move:

That this house urges the state government to recognise the importance of the Murray Bridge Racing Club Gifford Hill development and to achieve a policy that—

(a) commits funding to enable the completion of the project;

(b) supports the Murraylands community to grow jobs and enhance regional investment; and

(c) provides state-of-the-art facilities for thoroughbred racing in South Australia and supports a vital industry.

The Murray Bridge Racing Club Gifford Hill redevelopment is one of the most exciting projects underway in regional South Australia. However, the state government has chosen to ignore the potential of this project. Not only is this an important project for the racing industry locally and statewide but the development will provide significant economic flow-on effects for Murray Bridge and surrounding areas.

The project has stalled due to the lack of confidence from banks in regional projects, which is the exact reason this government must provide funding support to grow jobs, stimulate regional economic activity, reinvigorate our economy, improve infrastructure and support our regional communities. This project has been ongoing for over 10 years and the Labor government has provided little or no support, other than a visit from the Minister for Recreation and Sport and the Minister for Regional Development.

By way of background, by May 2005 the Murray Bridge Racing Club decided to embark on building a strategic direction and announced plans for the relocation of its facilities to a new site at Gifford Hill. The Gifford Hill redevelopment is a joint venture project between the Murray Bridge Racing Club, private investors and Thoroughbred Racing SA, situated on the outskirts of Murray Bridge on approximately 800 acres of freehold land.

The existing Murray Bridge Racing Club site in the heart of Murray Bridge will provide prime space for Newbridge, a Rural City of Murray Bridge proposal, which includes plans for housing development, a proposed sporting complex and an extension of the neighbouring Murray Bridge golf course. The Gifford Hill project will include a new state-of-the-art racecourse with an all-weather track, associated equine facilities and a modern multipurpose function centre.

The Murray Bridge Racing Club has support from the federal Coalition, Thoroughbred Racing SA, the Rural City of Murray Bridge, Regional Development Australia and has all relevant planning approvals. The only support it does not have is from the state government.

The Murray Bridge Racing Club has been racing at its current site in the heart of Murray Bridge for 100 years, celebrating its centenary recently.

**The Hon. T.R. Kenyon:** And it was supposed to be self-funding.

**The DEPUTY SPEAKER:** Member for Newland!

**Mr PEDERICK:** The club operates as one of the key provincial racetracks and a major training facility in South Australia. The decision to relocate operations was based on a number of key factors. The Murray Bridge Racing Club recognised that the reliance on traditional streams of revenue from gambling turnover was trending flat. In addition to this, provincial racing was not a focus of the racing industry plan for South Australia.

Firstly, the club's current infrastructure is adequate but is aged. The horse stables and associated infrastructure, the racing and training tracks, and the public and member facilities are all in need of upgrades and reconstruction. It has been estimated that it would cost \$25 million to undertake the necessary upgrades to these facilities and racing would cease while various works are undertaken. The Murray Bridge Racing Club has declared that this is not an option.

With these important factors in mind and club members supporting the move, the Murray Bridge Racing Club embarked on a visionary project and purchased 800 hectares of land adjoining the South-Eastern Freeway and the Rural City of Murray Bridge. Of the 800 hectares, 340 hectares will be used to develop a multifaceted racing facility and a new home for the Murray Bridge Racing Club, which will grow and provide a number of benefits to the South Australian thoroughbred racing industry, including:

providing a state-of-the-art racing and training complex for the South Australian industry, which will secure racing all year round on safe all-weather surfaces, which will reduce loss to the industry—this will be by the installation of a pro-ride track inside the outer grassed surface;

creating investment attraction into South Australia;

providing an affordable industry entry point for new entrants;

taking pressure off Morphettville South Australian Jockey Club from a training perspective;

providing a high level of biosecurity management for the horse population within;

supporting industry traineeships;

reducing the costs to industry representatives by providing the best possible facilities within easy access to the majority of horses training and racing in South Australia; and

potential to hold events without restrictions of urban encroachment, such as night racing.

The remaining 460 hectares has gained approval for subdivision and will make way for housing and land development opportunities, which include visions for a new school.

In a report provided by Regional Development Australia, the construction of the housing estate alone will create over 170 jobs and produce approximately \$18.1 million of total gross regional product per year over 25 years.

The importance of the project is not simply restricted to Gifford Hill. The Rural City of Murray Bridge is in full support of the plans of the Murray Bridge Racing Club to relocate and developed a future plan for Murray Bridge as a result. The future plan includes a proposal called Newbridge, and the Gifford Hill project underpins this initiative. Newbridge is designed to support expected growth for Murray Bridge over the next 20 years and will be developed on the current existing Murray Bridge Racing Club site. The projects that will be enabled by the completion of Gifford Hill and commencement of Newbridge include:

an upgrade of the Murray Bridge Golf Club to a par 71 competition standard by extension of fairways into the existing Murray Bridge Racing Club land;

the possible relocation and major redevelopment of the sporting complex of the oval and facilities for football, netball, cricket, swimming, basketball and other sports to the existing Murray Bridge Racing Club land;

a homemaker bulky goods precinct for Murray Bridge at the current sports oval on Adelaide Road that will be relocated and meet the standards of a complex for a population of 35,000 people;

conferencing and convention facilities for Murray Bridge and the region; and

the attraction of a four to five-star motel complex currently not available in the region.

In addition to this:

housing and land development opportunities will assist the projected population growth of an extra 20,000 people; and

the project will provide extremely important employment opportunities which will greatly aid the current unemployment rate of Murray Bridge which is over 10 per cent.

The Gifford Hill project is estimated to cost between \$36 million and \$40 million. Roughly \$18 million to \$20 million has been spent so far, which has included the laying of the track which can be seen when you fly over Murray Bridge to Melbourne. A commonwealth grant of \$5 million has been promised to the Gifford Hill project, and this was announced by the federal Coalition in March 2014 in the lead-up to the state election. If this grant does come through, it will assist funding the development of the multipurpose function facility which is lacking in Murray Bridge and benefit the wider regional community.

With the \$20 million that has been spent, and a further \$5 million available from the federal government, you do not need to be an Einstein to realise there is a shortfall in funding causing the project to stall. As mentioned, this project has stalled due to funding from banks being pulled and general confidence in regional projects, due to economic uncertainty under Labor, and Labor's overall lack of support for the racing industry in South Australia.

The state Liberals recognised in 2014 the importance of this project—and still recognise the importance of this project—and in the run-up to the state election in 2014 pledged \$15 million to the Murray Bridge Racing Club for the completion of the project which would kickstart the development. I call on the government to provide funding assistance so that regional job creation and potential economic activity can be realised. To go through the numbers, a report produced by Econsearch, entitled 'Economic impact assessment of Murray Bridge construction projects', found in relation to Gifford Hill:

upgrading the racing complex: around \$36 million over two years and likely to produce 118 jobs per year over two years;

trainer houses and stable blocks: \$20 million of activity—40 houses and stables at an average cost of \$500,000 each over five years and 27 jobs per year over five years; and

a housing estate of \$644 million—3,500 houses at an average cost of \$184,000—over 25 years and 170 jobs per year over 25 years.

This did not include other potential commercial developments In regard to the Newbridge site, the current site of the Murray Bridge Racing Club:

a sporting and golf complex: \$12 million of investment over two years and 39 jobs over two years;

a housing estate of \$55 million—300 houses at an average cost of \$184,000 over eight years, which will give 47 jobs per year over the eight years; and

a motel and retail precinct: \$28 million over eight years and 21 jobs per year over eight years.

The benefits that will come directly from the Gifford Hill development include: the creation of 4,000 new homes in Murray Bridge, 1,000 jobs, a new state-of-the-art racecourse with an all-weather track and associated training and equine facilities, plans for a new private school facility, a new sporting precinct, a redeveloped championship level golf course, a new bulky goods precinct, and confidence in an important regional area.

I have met countless times with the Murray Bridge Racing Club, private investors, Thoroughbred Racing SA, Regional Development Australia and the Rural City of Murray Bridge. I invited the Minister for Recreation and Sport to attend a race meeting and visit the Gifford Hill redevelopment, and I must admit that he has done that—he has gone to the development. I have written to federal ministers and worked closely with the federal member for Barker. I have also written to ministers Koutsantonis and Bignell and to Premier Weatherill.

I would like to congratulate the commitment and work of the Murray Bridge Racing Club chairman, Reg Nolan, and his secretary, John Buhagiar; Regional Development Australia Murraylands and Riverland chair, Brenton Lewis, who also happens to be the mayor of the Rural City of Murray Bridge since the recent local government elections; and members of the private investment group. I would also like to thank the Rural City of Murray Bridge's former mayor, Allan Arbon, and its chief executive officer, Peter Bond, for their valuable contribution.

This project does need assistance and it must become a priority of this government. Currently, in the building program, as things move along steadily, as some funding is released, \$1 million is allocated to start building horse stalls. In the program for later on this year, obviously running rails will need to be erected. Barrier trials are in the program to be run later on this year. I believe that, certainly that over the 25 to 35-year lifetime of a project like this and possibly longer, there will be \$1 billion of investment.

Some of this investment, as we talk about the federal funding, hinges on the commitment of the state government to come through with the goods, with the \$25 million from the River Murray regional diversification fund. The problem is that we have a bit of to and fro between the federal government and the state government. This was a funding commitment

made by the former Labor federal government and picked up by the new Coalition government. As I indicated earlier, there was a \$5 million commitment from this fund, the Murray-Darling Basin Regional Economic Diversification Program, for this project.

I note that, in a meeting I had recently with minister Brock and the Premier, I was given a letter written to Warren Truss, the Minister for Infrastructure and Regional Development. The government firmly believes that there is an issue with horizontal fiscal equalisation and that GST is applicable to this fund. In regard to that letter, in a letter back from the assistant minister, Jamie Briggs, the member for Mayo, states that he is advised that the 'horizontal fiscal equalisation calculations will be substantially less' than the government claims because all basin states are receiving this funding and that he understands that the Australian government Treasury has conveyed this information to the South Australian Treasury.

I urge the state Labor government to get on board, check out exactly what funding is available for this project and stop playing games over this diversification funding because the government are trying to tell us that it will reduce from \$25 million overall for the state to \$4 million if the GST component is to be taken into account. I commend the motion.

**Mr WHETSTONE ( Chaffey ) ( 11:24 ):** I too rise to support the member for Hammond's motion. The Gifford Hill project has been in the planning stages for about 10 years. It is a project that I think is worthy of my standing up and giving a little bit of an overview of how I see it. As the member for a neighbouring electorate, I am very envious of a facility like this being on the drawing board and to be able to bring it to fruition is something I am sure the member for Hammond is very passionate about and has been working towards. He has been pestering all on this side of the house for a number of years to talk about it and give it support, and that is what I am here to do today.

The Gifford Hill concept is about a \$40 million project. Obviously, it would be enhanced by the racecourse, the convention centre and an accommodation village of about 60 community allotments. I think it is every country member's dream to have a project like this on the table and to see it come to fruition. It really would be something to behold.

Obviously, it would stimulate economic growth in Murray Bridge. It has been backed by the Murray Bridge council, Thoroughbred Racing SA, the RDA, the federal government and the South Australian Liberal Party. As I spoke about in a grievance yesterday, the current South Australian government is not prepared to back this project, and I will give a little bit more detail as I walk you through my contribution. Again, as I have said, the jobs, the growth and the racing would almost bring a new era to that precinct at Murray Bridge.

All these projects rely on funding. They cannot just happen on their own. Private enterprise needs assistance. Normally, it needs planning assistance and it needs government stimulation. As I said, in 2014, the leader of the South Australian Liberal Party committed \$5 million to the project and it was also supported by a previous federal Labor government. It was on a list of 21 projects between Murraylands and the Riverland that would be part of the Murray-Darling Basin Regional Economic Diversification Program announced in 2012. Those 21 projects were put under this \$25 million bucket of funding. There was \$100 million overall shared between the four basin states and the \$25 million was going to be shared between river communities and they were dealing with the economic adjustment after the implementation of the Murray-Darling Basin Plan.

Sadly, the original announcement in November 2012 was made in caretaker mode, which meant there was not a budget line allocated to that funding. It was an election announcement. It was taken in goodwill that the federal government was going to put up this funding out of the infrastructure bucket of money. It was funding that came from regional development. It did not come from the water department and it did not come from the budget of nearly \$12 billion in the federal government's water and environment department. It was new money. It was not just money that was being tipped back into communities after those communities had given up their economic base, which is, obviously, water.

Yesterday, I listened to the Premier give an answer when I queried whether he was concerned about this money being taken off the table. He completely skewed off at another angle. He was talking about this money coming out of the environment department. Well, it does not: it comes from the infrastructure department as a sideline to regional development. I think it is critically important that the government of the day in South Australia recognises the importance of what this money is about, that is, to support projects such as Gifford Hill. It was also there to support another 20 projects that were there to—

**Mr PICTON:** Point of order, Madam Deputy Speaker.

**The DEPUTY SPEAKER:** Member for Chaffey, the member for Kaurna has a point of order.

**Mr PICTON:** Point of order: I am wondering whether the member can return to the substance of the motion.

Members interjecting:

**The DEPUTY SPEAKER:** Order!

**Mr WHETSTONE:** Just listen.

**Mr Pederick:** Chuck him out.

**The DEPUTY SPEAKER:** Order!

An honourable member interjecting:

**The DEPUTY SPEAKER:** Order! In light of the member for Bright's speech yesterday, I remind the house—

An honourable member interjecting:

**The DEPUTY SPEAKER:** No. Unfortunately, he's drawn attention to the standards or lack of—

Members interjecting:

**The DEPUTY SPEAKER:** Order! When I am on my feet, no-one speaks.

**Mr Whetstone:** Exactly. Don't speak.

**The DEPUTY SPEAKER:** And that's you, member for Chaffey; you're warned. As I said, standing order 144 charges me to control the business of the house in decorum and dignity, and I ask all members to cooperate in ensuring that the business of the house happens in that sort of fashion. There is no point of order. Member for Chaffey.

**Mr WHETSTONE:** Thank you, madam. I will get back to the substance of support around the Gifford Hill project, and that is the funding stream. The funding stream obviously is very important to these projects coming to fruition—and, again, we are talking about this \$25 million bucket of money that comes from the infrastructure department within the federal government. I have met with not only the Minister for Regional Development but also the Premier, and they gave me their take on why they would not be accepting it. That is all about the GST component on that \$25 million. I have been to Canberra, and I have met with the relevant minister with that money, and they say that it is an absolute furphy.

I did ask the minister yesterday, but was answered by the Treasurer and then by the Premier, to justify how that \$21 million component of GST is calculated so that we can justify the argument they are putting to the federal government. I think that is critically important around why the state government is not accepting the \$25 million. That \$25 million, of course, levers money into the Gifford Hill project. That federal money is sitting there idle, not being used, not being spent, while the other three states are spending their money. They have signed up, they have taken their \$25 million—New South Wales was \$27 million—they are using it, they are putting it to good use. It is of economic benefit to their state. Yet here in South Australia, we have the Premier playing games.

I think that we have said enough on the funding, and we will look at the Gifford Hill precinct. I think that it needs government support. It has been shown by industry, and it has been shown by Regional Development Australia, the council and the South Australian Liberal Party that they will support this project. I call on this state government to come up and support the project, support the funding, get on with it and use that money as a stimulus for our economic base. Everyone knows in South Australia that the economy is flagging. It is all government spending. We are seeing little private expenditure at the moment trying to stimulate the economy in South Australia, yet we are seeing political games. The Premier is more concerned about using taxpayers' money on a campaign promoting himself than he is about getting real outcomes.

If I can go back to the racing industry around Gifford Hill, obviously it is a very important industry. It generates over \$400 million per annum and it has real economic benefits. It is not just about the racing but it is the flow-on—it is the training, the education and the tourism. It really does have a flow-on effect. It sustains an employment base of nearly 3,700 South Australians; it provides \$224 million per annum to household incomes; it generates a GST of \$19 million per annum; and it generates over \$300 million per annum in direct expenditure, with more than 40 per cent of this expenditure occurring in regional areas.

This is a regional area. The Gifford Hill project is something that could be a crown in country racing. I commend this project. It does need government stimulus. We need to get over the political games that are being played around the funding. Just a few stats with regard to racing:

in South Australia it is second to AFL in terms of attendance, over 515,000 attending racing in 2011-12;

there are 13,900 members and members' guests of racing clubs throughout South Australia;

the racing industry engages more than 1,240 volunteers; and

there are 42 racing clubs operating and 38 racetracks throughout South Australia.

So that is a great example of what Gifford Hill could be a part of, a great industry and an industry that is a great economic driver here in South Australia. Let us face it, South Australia needs all the economic activity it can get. There are 161 charities and community organisations that are assisted by racing clubs. I will continue my remarks at another time.

Time expired.

**Mr KNOLL ( Schubert ) ( 11:35 ):** I also rise to support this motion. The member for Hammond is on a roll this morning, taking up the legacy

of the great late Dr Bob Such, in using private members' time for very worthy causes. Before I talk about the Gifford Hill project, what it would entail and what it would mean for the neighbouring electorate to Schubert, which is the electorate of Hammond, for the benefit of the house I will explain where Hammond is, where Gifford Hill is, and where Murray Bridge is.

In South Australia our major watercourse is the River Murray. It runs across the state and heads down from the Riverland to the Murraylands—which is where it enters my electorate—and down through Swan Reach, Walker Flat and then down to Mannum. From Mannum it then heads down further to Murray Bridge. That beautiful watercourse then runs all the way down to the Murray mouth. It is very much the lifeblood of regional South Australia. We rely on the River Murray for a great many industries, and about 50 per cent of its water is used to produce what I would argue are the best grapes in the world, in the Barossa Valley; they come from the River Murray.

I point this out because perhaps the house does not always understand things that are a bit too far away from North Terrace. Any discussion of Murray Bridge entails a discussion of the river, and any discussion of the river must talk about the broader economic development applications for the entire region, which is entirely pertinent to this debate.

The Gifford Hill project is a joint venture between developers Burke Urban and the Murray Bridge Racing Club, and was first announced in June 2010. The original plans called for more than 3,500 residential allotments to be mapped around the state-of-the-art racetrack, but it has since been stalled for want of a vision by the government. Since being announced, Burke Urban itself has invested more than \$15 million in Gifford Hill, \$8 million of which has been spent on the racecourse and the race tunnel; there is a state-of-the-art racetrack and a tunnel so that the track does not need to be crossed. I am told they are going to start barrier races later in the year, and I look forward to an invitation for the member for Hammond to come and have a look.

It has been noted by the federal government that South Australia is the only state that has failed to constructively negotiate a project agreement, and I would like to go to comments from the federal government. The office of the federal Minister for Infrastructure and Regional Development put out a release saying:

The Australian government has committed \$25 million through the Murray Darling Basin Economic Diversification Programme in order to assist South Australian regional communities to adjust to the Murray-Darling Basin Plan.

Connecting all the dots here, at the start of my speech I talked about how important the River Murray is to South Australia and to regional South Australia, and these funds seek to help enhance that. The release continues:

Funding can only be delivered once each relevant State Government has signed a Project Agreement confirming their commitment to the programme. The South Australian Government is the only jurisdiction which has failed to constructively negotiate a Project Agreement accepting their share of federal funding. In fact other states are already delivering their allocation on agreed projects.

We have now written to Minister Geoff Brock on three separate occasions seeking the South Australian Government's commitment to this important programme. We are yet to receive a response seven months since the first letter was sent.

This press release was from October last year. Either way, seven months is still an unacceptably long period of time. What makes this even more remarkable is that there is no requirement for any matching state government funding; it is completely funded by the federal government. Regional communities are missing out because of Mr Brock and state Labor.

Yesterday, in this place, the Premier was talking about the Murray-Darling Basin Plan, and he was talking about this pocket of money. He was talking about how South Australians have done the heavy lifting when it comes to putting water back into the system in order to have a healthy river. We argued over the figures. Some may have suggested 4,000 gigalitres; some may have suggested 3,200. I think 2,700 gigalitres is probably about right.

**Mr Whetstone:** 2,750.

**Mr KNOLL:** I think 2,750 is about right. What was interesting in the Premier's speech was that he said that South Australia has done enough. South Australia has already been through the pain. Our Riverland irrigators are amongst some of the most efficient in the country and the most efficient in the world.

If the South Australian regional communities along the river have done it so tough, why are we holding up this money? If the Premier was genuine in his outrage over South Australia already having done its bit, then why do we not get on and negotiate this agreement, so that that money can flow through to regional communities? It is a question that we still have not had answered satisfactorily. We have asked questions in good faith and have not been able to get a satisfactory answer.

This issue has some history and I would like to go back to a press release issued on Friday, 24 May 2013:

Following a recent visit to the Murray Bridge Racing Club (MBRC), Liberal Member for Hammond, Adrian Pederick, has supported the MBRC Gifford Hill development and is calling on the SA Government to do the same.

Some would say that this is the Barossa hospital of the Murraylands region.

**Mr Pederick:** Let's hope it's not that long.

**Mr KNOLL:** Twenty-two years and counting, member for Hammond. The press release continued:

'I invited Minister Bignell [Minister for Agriculture] to meet with MBRC so he could gain a full and proper understanding of what the club is trying to achieve ...

'I was pleased the Minister accepted the invitation and whilst the discussion was positive, the Weatherill Labor Government needs to realise what a huge opportunity this is for the Murraylands region,' said Mr Pederick.

Again on this score, we can say that the member for Hammond is trying to be constructive in his dealings with this government to get good outcomes for his community. All we need is a willing partner on the other side to complete the deal.

On Monday 24 April 2014, the state Liberals, in understanding that previous speakers had talked about the importance of the racing industry to South Australia, were calling on the government to support the South Australian racing industry. During the election, we as the state Liberals committed to providing the racing industry with \$300,000 a year to grow and employ more South Australians. Certainly, when we look at our jobless numbers and the pathetic jobs growth that we have had in South Australia since 2010, I would have thought that this is a very good and useful way to spend money.

The state Liberals also announced at the time \$15 million to kickstart the Gifford Hill development. There would be many involved in this project who were upset that we were not able to form government. The South Australian racing industry employs over 3,500 people—3,500 people—and generates \$401 million every year in economic benefits to our state. The racing industry is second only to the AFL in event attendance and is a much loved fixture in our sporting calendar.

Those numbers are extremely compelling. Again, it goes to the fact that this development is extremely worthwhile. It is extremely important and

something that needs to get on and be completed in full so that it can deliver for the people of Hammond and for South Australia.

I would like to go back and have a look at some of the statistics around Murray Bridge. We talk about unemployment in this state, we talk about needing job opportunities in this state. At the time of the election last year, the unemployment in Murray Bridge was 8.7 per cent—8.7 per cent. The new jobs data figures were supposed to be out for regional areas this morning, but unfortunately we have not had them come through.

This project would create an extra 1,000 jobs. Imagine what those 1,000 jobs would do to the unemployment rate in Murray Bridge. It would completely revitalise a community, a community that is extremely reliant on a couple of big players for its jobs. We are extremely grateful and thankful that Thomas Foods is a strong company that is increasingly employing more and more South Australians, but the more reliant on single large employers a community becomes, the more at risk it becomes. We have seen that with Port Pirie and the smelter and how important that smelter is to the community.

Economic diversification is extremely important for our regional communities and this Gifford Hill development very much seeks to help do that. If I look at the total number of jobs created by this government since 2010, surely these 1,000 jobs would help to add to it in an extremely significant way, and the best bit of all—it would not cost them any money. The feds are willing to stump up the cash and all the state government has to do is get on and be a constructive partner working together to finalise the agreement.

As a government, the Labor Party needs to understand that there are places beyond marginal seats in Adelaide, and if we are to help rebuild this state we need to start thinking more about our regional communities.