

HOUSE OF ASSEMBLY
THURSDAY 23RD JUNE 2016
FREE TRADE AGREEMENTS

Debate resumed.

Mr PEDERICK (Hammond) (12:24): I rise to support this motion brought by the member for Chaffey:

That this house—

(a) recognises the benefits of free trade agreements to South Australian businesses and the economy; and

(b) acknowledges the work of the commonwealth government to establish recent free trade agreements with Korea, Japan and China.

I acknowledge the contribution by the member for Schubert, an excellent contribution, outlining what could happen if people went the wrong way with their vote in the federal election on 2 July. The member for Schubert was exactly right because, if the people of this country want to shut the doors of this great country, they will stop our trade relations which are absolutely vital for our farmers. Whether it is our farmers who are growing wine or growing fruit and vegetables, whether it is our fishermen or whether it is our grain farmers, if people want to vote for these people—and they are representatives of the Nick Xenophon team—they will close the doors to our country and we will become a totally insular society.

I want to speak particularly about the grain industry in regard to this motion. We grow millions of tonnes of grain in this state and across the country worth billions of dollars in trade every year. Not every state has a drought—and we hate droughts, and we have not had a spring for two years in the grain growing areas in South Australia, Let's hope with La Niña that we do have a good spring this year. Certainly, hopefully the topping-up rain that is coming to us today hits most of the regional areas, if not all.

We absolutely rely on exporting our grain products because if all we were going to do was keep our grain to feed ourselves, the 24 million people (and I believe we would feed at least 70 million people and probably more, as the member for Schubert stated, with all our agricultural produce), this state, this country, would just collapse. It would just absolutely collapse with this insular argument that we will not have free trade, that we will just shop around amongst ourselves.

When I look at the dairy industry, for instance, it is an industry that is already suffering because eight billion litres of milk have come out of Europe all of sudden with the dropping of quotas, and that is another way that agriculture is regulated in the Northern Hemisphere. The dairy industry has crashed, so what are we going to do? Are we growing milk just for ourselves? If that is what certain political candidates and parties in this country want, it will be an absolute

disaster for the dairy industry far greater than they are seeing at the minute. It will just wipe them out.

I want to reflect on the excellent work the federal trade minister, Andrew Robb, has done in setting up these free trade agreements. He has been the trade minister who has done the hard yards. He has done so much work. I happened to be in China nearly two years ago when we were meeting with different people who were connected with setting up these free trade agreements. They were so impressed with his work and the fact that he was doing so much work with our embassy in Beijing to make sure that we got up these free trade agreements. I congratulate him on his excellent work that opens the doors so that our trade and produce can enter these countries and so that we can keep that trade where we are buying their products as well.

In speaking about the dairy industry, I want to talk about the Beston Global Food Company. They are mainly in the dairy industry here in South Australia, but they also have a joint venture now buying into Ferguson Australia, another fine South Australian company. Both companies are exporters, and I congratulate Ferguson on having the initiative to get on board with Beston. What Beston is doing is world class in terms of what it is seeking to do with export work—that is, getting into the catering sector in China—that is worth tens of billions of dollars over there.

I also want to congratulate Beston for the excellent work they have done on brand security using technology. You can go to the supermarket in China, take a picture of the brand security emblem and check whether that product was actually produced in this state. This is world-leading technology, and it is so good to get around the imitations and make sure that you get the proper product and the proper recognition of the product.

Beston has come into my electorate and picked up the dairy plants at Murray Bridge and Jervois. Those plants had gone into receivership, after United Dairy Power had them, and Murray Goulburn bought the Jervois mozzarella plant. Essentially, they told me that they bought the brand, and the machinery, from my understanding, was trashed because obviously that cuts out competitors operating that equipment.

I acknowledge that Beston has been in receipt of \$2.5 million of grant money from the state government, and no finer company could be in receipt of that money because they will put it to very good use. They are an excellent South Australian company, and it is just one example. We could not do without forward thinkers, people who absolutely rely on export. In my electorate alone, they are already employing around 60 people, and I know they want to double that as production moves ahead and things really get going in terms of export opportunities. Having a player of this kind in the electorate has certainly given the dairy industry hope again in this state.

Seafood is also going into China and Japan. Tuna has gone into Japan for many years, and we are looking at getting more seafood into China. The free trade agreement will also open up that trade. There are also extra opportunities that will arise in China, Korea, and Japan with these free trade agreements. As I indicated earlier, whether you are a wine grower, a fruitgrower, a vegetable

grower, a grain grower, or you are operating in the dairy industry, whatever you are growing in this country you are reliant on exports.

The member for Chaffey talked about our fruit fly free status. It is absolutely essential that we make sure we keep that, that we get it right and that we make sure our biosecurity protocols are always in place to keep that status. Our free trade partners, and all our international partners, look at us and want to see that fruit fly free status stay to make sure they are getting good product into their countries. They are extremely strict, and that is a good thing to make sure they get that quality product into the market.

We do grow very fine food in South Australia. Look at the contribution agriculture makes in this state—around \$20 billion a year. We have seen a downturn in the mining industry, and I hope it is not too long before that turns around and makes a far bigger contribution than it is at the minute. I know operations are still ongoing, but I am sure all the players in the mining industry would love to see a nice kick-along. For so long, agriculture has not been acknowledged in this state.

Mr Whetstone: It's renewable.

Mr PEDERICK: It is absolutely renewable, as the member for Chaffey interjects, and it goes on and on, and it will not go on and on if we do not have the opportunity to export our product into our free markets. So, I urge people to have a good think about who really does look after the country people in Australia—the Liberals. We really do. I urge you to have a positive look at how you vote going into the federal election so that we can support the initiatives of Andrew Robb and these free trade agreements into Japan, China and Korea.

Debate adjourned on motion of Ms Digance .