

DROUGHT – 25 September 2008

Mr PEDERICK (Hammond) (15:13): My question is for the Minister for Water Security. Will other irrigators who also have high security water licences receive any assistance from the government similar to assistance for growers with perennial plantings? Vegetable growers, dairy farmers and other irrigators whose production and income have been decimated by the current crisis on the river in a similar way to those with perennial plantings are also facing financial and social disaster which will impact on the state's economy, as well as local communities.

The Hon. R.J. McEWEN (Mount Gambier—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development) (15:14): Although the honourable member seems to be directing his questions to the water security minister, he is asking questions about drought. The longstanding drought package deals with most of what the honourable member is talking about. We do not support some subsidies to individual businesses. We have had that debate in relation to fodder subsidies, and so on.

One thing we do support is a public good. Quite clearly, in relation to the perennial plantings, there is both a public good and a private good in terms of keeping open the factory doors. We are not supporting the production of a crop or a cash flow but, rather, along with the owners of those perennial plantings, at least an underwriting of risk up-front. That is what the strategy is about.

In the best case scenario we may not have to draw on our commitment. In partnership, we have had said that we will guarantee to each owner of perennial plantings an amount of water to keep the perennial plantings alive. The honourable member should not mix that up with support to individual businesses—which is available elsewhere in the strategy.

The question seems to be implying that we should be supporting perennial plantings, extending other EC measures. There is a longstanding strategy which has been supported in a bipartisan way in this house; and I appreciated support from the member for Frome in relation to other subsidies, including freight subsidies. I will get a briefing for the shadow minister on the total drought package, those parts for which the state is responsible and those for which the federal government is responsible.

On this occasion it is important to understand the perennial plantings plank of the strategy which is now in place. It is a long-term vision, with \$610 million for the corridor, a transition package for those who choose not to be in horticulture and, obviously, a maintenance strategy in terms of perennial plantings, in partnership with the owners of those perennial plantings. It is totally consistent with the long-term drought strategy. It is an important up-front investment by the taxpayers of South Australia who are saying to owners of the perennial plantings along the river, 'We are in this with you because, like you, we believe that over \$1.3 billion worth of perennial plantings needs to be protected.' Our long-term vision relies on their producing a cash flow—obviously from a crop.