



HOUSE OF ASSEMBLY

Speech made by the Hon. Z.L. Bettison MP

20 June 2019

Bills

APPROPRIATION BILL 2019

Second Reading

The Hon. Z.L. BETTISON (Ramsay) (16:09): I rise today in my capacity as shadow minister for tourism, trade and investment, a portfolio I am very proud to represent. This is a very economic and jobs-focused contributor to the state. It is a portfolio that delivers billions of dollars in economic benefit to the state and employs tens of thousands of people. To illustrate in very rough terms the impact of this portfolio, the combined economic contribution of both merchandise exports and the value of tourism in SA is \$18.8 billion.

This \$18.8 billion is more than a number. It represents the tens of thousands of jobs that are dependent on these sectors. These are jobs that lead into career pathways. They are good jobs that tap into the potential of the global market for South Australia. However, at a time when we are struggling to increase our national share of exports and tourism, the government is sending a clear signal that these areas are not its priority.

If we look at the Department for Trade, Tourism and Investment, the government plans to cut the department's budget by 20 per cent in one year alone. In the lead-up to the election, the Liberal Party was completely clear that we should measure South Australia's export performance as a proportion of national share. I believe the term was 'an export-led recovery of the South Australian economy'. This was a key part of their election commitments. In reality, it was like unleashing a bull in a china shop.

The government have made drastic changes to the structure of various departments and agencies. They tore up existing regional trade strategies and sacked expert trade advisers. They abolished industry advisory boards and investment attraction and health industries, and all this happened in the space of less than one year. After these changes, the Premier and the Minister for Trade, Tourism and Investment decided that it was probably best to have a think about what they have done and to conduct a review, so they hired one of their conservative mates across the pond and asked if he could come to South Australia for a few days and report on what he thought. A few months later, a report is handed down, and guess what? It recommended even more machinery of government changes. The cycle goes on and on.

Meanwhile, the minister is going on international trade missions without giving enough notice to South Australian businesses that he is going. It explains why the minister is taking almost 90 per cent fewer businesses with him on trade missions compared with the Labor government. While the minister is on these trade missions, trade missions that do not have a plan underpinning them anymore, he cuts a ribbon on new trade offices but cannot tell us what tangible outcomes he has achieved.

Meanwhile, senior leadership in his own trade department are leaving in droves. The department's budget is getting slashed left, right and centre, and it is cutting full-time staff in the process. In February this year, the Joyce review recommended that the government not pursue their suite of stand-alone trade offices across the world and, instead, embed people in Austrade offices. There is complete uncertainty and a lack of vision leading the department, and the government should be held accountable for this chaos.

Our share of national exports has hit a 30-year low. It is a worrying trend that has been picked up in more than a year of the Marshall Liberal government. The reckless behaviour of this government towards trade and investment in this state is shameful. Yes, the government is opening trade offices, but at what cost? Is it worth the cost of completely dismantling public sector infrastructure that has brought significant economic benefit to the state? Is it worth the cost of losing world-class senior trade and investment officials who have chosen to serve our state? Is it worth

losing Brand SA and its successful initiatives for boosting sales and support for local businesses? If you are not strong as a business in South Australia, how can you contemplate selling interstate or overseas? It is important for us to back our businesses here.

As I make this speech, I am reminded of how many businesses in South Australia are putting their capital on the line to sell our products and services to the world. Many of these businesses started as, and perhaps still are, small to medium enterprises. They are looking to the state government for assistance in opening up new markets overseas. But this is a government that does not want to partner with local industry. The minister thinks he can do a better job of managing the state brand than the private sector. I find that very hard to believe.

What we need is a serious plan to boost our exports and the resources to back it up, not the state of chaos that we have now. There are more cuts when it comes to tourism. The government has announced \$12 million of cuts earmarked for the South Australian Tourism Commission. The government needs to understand that tourism equals jobs. It is estimated that tourism directly employs more than 36,000 people. Visitor expenditure to South Australia is around \$6.8 billion. There is a 2020 goal, a shared goal between industry and government, for this number to reach \$8 billion by 2020, which is why it is completely surprising that the government is cutting funding to our events and tourism marketing.

We have already seen the effects of what happened when the Marshall Liberal government cut \$11 million from tourism in the last budget. The economic contribution of tourism went down by \$100 million, from \$6.9 billion to \$6.8 billion. Members in this chamber do not need to take my word for it; all they need to do is ask any tourism operator about how important the funding is. The industry has been calling for increased funding to tourism marketing and sector development. South Australia should be taking the lead to try to capture more of this market. But with these budget cuts, the government is asking the industry to reach the targets with one hand tied behind their back.

We have seen recent declines in both domestic daytrip and international visitor numbers. South Australia needs more tourists coming here and spending more money, which in turn will create more jobs. It is not too long ago that I was in this chamber talking about how important the industry is to the regions. The drop in daytrip visitors is hurting the local economies of regional South Australia.

When Labor was in government, the proportion of visitor spend in our regions reached 44 per cent. Under this government, it is now around 42 per cent, and under the draft 2030 Tourism Plan, the target is 40 per cent—and the government has been absolutely silent about why it has not announced any new funding for our regional tourism organisations. The staff who work in these organisations do great work promoting our state and work together with local tourism operators. To cut their funding is shameful.

I see no future commitments to the cooperative marketing fund, which expires this financial year on 30 June 2019, or any future funding beyond 2019-20, or funding for staff for our regional tourism organisations. Based on my estimates, that represents at least \$700,000 per annum in lost funding to our regional tourism organisations. These are locally based organisations that are on the ground actively selling our regions to the country and the world.

I know that the member for Giles and the member for Mawson are concerned about this. It has serious implications for Kangaroo Island, Flinders Ranges, the outback and Eyre Peninsula. The members for MacKillop and Mount Gambier would know that daytrip expenditure on the Limestone Coast is down by \$30 million. Daytrip expenditure is also down in the Barossa by \$21 million and by \$4 million in the River Murray, Lakes and Coorong region. In total, that is \$70 million less in the pockets of our regional tourism operators.

So my question to the government is: why cut funding now? There is no new money for the SATC in this budget. The marketing money that was announced earlier by the minister was simply a rehash of marketing activity that already existed. The total marketing budget has been cut, but most telling is that international marketing expenditure has been cut by 7 per cent. It is with great disappointment that I inform the house that the latest Tourism Research Australia data shows that South Australia's international visitor expenditure is down by 7 per cent. That represents \$80 million less coming to our tourism operators.

This government has been duplicitous. They have completely hidden the fact that marketing is getting a cut in this budget, and it seems like any event that is not part of Mad March faces cuts. We only have to look at what happened to the Adelaide Fashion Festival and the Adelaide Motorsport Festival. It is just more cuts. I want to make this clear to those in the government: in its first year, the Marshall Liberal government's \$11 million budget cut led to \$100 million less spent by visitors in South Australia.

Tourism is a supergrowth industry. The opportunity to grow the industry is there for the taking; we just need a government that does not actively try to stymie the industry. Good governments are based on successful programs. At a time when the Marshall Liberal government is racking up a record debt of more than \$21 billion and when interest payments will be more than \$1 billion per year or nearly \$3 million a day, trade, tourism and investment can play a key role in stimulating the economy.

They will help generate a very healthy return of investment to the state. This is important, a key role in our economy. It just has to be supported. These cuts are short-sighted. They are not in the best interests of the South Australian taxpayer. The South Australian people want growth. They want jobs. They want jobs throughout all of South Australia. Tourism is the answer; exports are the answer. This budget simply does not cut it. Once again, the tourism industry has been let down.