



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

**EXPORT CONTROL (FEES)
AMENDMENT ORDERS 2009 (NO. 1)**

**AUSTRALIAN MEAT AND LIVE-STOCK
INDUSTRY (EXPORT LICENSING)
AMENDMENT REGULATIONS 2009 (NO. 1)**

**EXPORT INSPECTION (ESTABLISHMENT
REGISTRATION CHARGES)
AMENDMENT REGULATIONS 2009 (NO. 1)**

**EXPORT INSPECTION (QUANTITY
CHARGE) AMENDMENT
REGULATIONS 2009 (NO. 1)**

Motion for Disallowance

SPEECH

Tuesday, 15 September 2009

BY AUTHORITY OF THE SENATE

SPEECH

Date Tuesday, 15 September 2009
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Questioner
Speaker Nash, Sen Fiona

Source Senate
Proof No
Responder
Question No.

Senator NASH (New South Wales) (6.02 pm)—I rise to make some remarks on the disallowance motion for the 40 per cent rebate. It astounds me how many ways this Labor government can find to belt regional Australia. Here we have yet another example of this government being completely disconnected from and out of touch with our agricultural communities. We are talking about one of the few sectors that is underpinning the recovery of this country from the global financial crisis. But what do we get from the government? ‘Let’s find another way to whack another tax on them.’ It is not fair or right. Not only that but it is completely stupid. Why would this government go down a path that one of the people appearing in front of the inquiry said was an antistimulus move? Why go down this track when the government says it wants to do everything to stimulate our economy? Why would you put a new tax on one of the very industries that is underpinning the recovery of this nation? It is completely stupid.

There has been some discussion around industry support for the removal of the 40 per cent rebate. As far as I could ascertain through our inquiry and all the discussions with industry, there is no actual support for the removal of that rebate—none, nada, not any. We recognise support exists across all the sectors for reform. We all agree that there needs to be reform. Let us be clear—we have just heard a long contribution from my colleague Senator Milne on my left here—that the only thing tying together the removal of the rebate and progress on reforms is the Minister for Agriculture, Fisheries and Forestry. There is nothing else that is predicated that happening. It is entirely within the minister’s purview to retain the 40 per cent rebate and to progress the reforms. Others in this debate and in this chamber would have you believe that it is some sort of ‘fairies in the garden’ thing, that you cannot possibly have the two together. Let me tell you that you can and you should be very clear that it is within the minister’s purview to do that.

What we have seen pop out of this absolute mess today—and I must say that it is my good colleagues Senator Back and Senator Colbeck who have driven this very clearly—is \$20 million. It has popped out of nowhere. My gosh, here is \$20 million that the government did not have yesterday and all of a sudden now they do. The question has to be asked: if that bucket of money comes out of nowhere—and we understood prior to now it did not exist for the minister—why on earth was consideration not given to retaining that rebate with the \$40 million cost attached to it and putting the other bucket of money towards the reform? Why put the industry through all of this pain and angst when the government could simply have come up with that bucket of money and put it into the reforms to start with? Make no mistake: this is going to cost jobs and industries in regional Australia. We on this side of the chamber are not going to stand and wear it and just watch it happen. We are not going to let it happen.

Gary Burrridge of the Australian Meat Industry Council stated last Friday that the removal of the 40 per cent Federal subsidy on inspection fees would come straight off processor margins which are already low and in many cases negative. He said that some small processors will be devastated and suggested it will put some out of business. He said the only option for many processors would be to pass back the cost to farmers who can ill afford to bear these extra costs. Either way there would be jobs lost and big impacts on regional communities. We have had enough of regional Australia and farmers having to bear the cost of all of these things. It is simply not right. The minister very clearly outlined in his letter to Senator Milne:

The \$60 million Export Certification Reform Package is a very substantial reform package that warrants the support of the Senate. If the fees and charges were disallowed, the Government would not be in a position to proceed with this reform package.

Why not? They have got the money. Why can’t they proceed with the reform package? The minister is having an absolute hissy fit because he cannot get his own way. It stands to reason that, if the money is there, he can put it towards the reform process. No amount of talk in this place, no amount of garble coming out of this place, can remove the very simple option of keeping the rebate and moving down the path of the reform process.

One thing that clearly came out of this inquiry was that the efficiencies from the reform process would not happen until further down the track. You do not have to be a rocket scientist to figure out that, if you remove the

fees and charges now and if the efficiencies from the reform process will not become effective until further down the track—and some industries are saying for up to five years—there will be a massive hit on our industries. Our industries, particularly our smaller industries, will have to bear the burden now of a massive tax. Some industries will be hit with a \$50,000 extra impost, which apparently the minister did not even know about. How is that fair? How is that right? How is that going to provide any incentive or stimulus—and the government is so keen on talking about that the entire time—whatsoever for the industry to grow and be sustainable? This is again a complete disregard from this government of regional Australia and of what they do.

One thing that was raised was that a lot of these costs are actually legitimate costs of government, and we are seeing the government trying to put the whole lot back onto the industry. A lot of the costs are legitimate costs of government and we know a lot of them are recognised in other countries around the world as for the public good. Yet what do we see our minister trying to do? We see our Labor minister trying to rip the guts out of all of these industries out there in our regional communities. They are doing it tough anyway.

Let us compare this \$20 million bucket of money with what the government has on offer for other industries. My good colleague Senator Colbeck compared the beef industry and the car industry. What have we seen from this Labor government? We have seen \$6 billion in assistance for the car industry. How many people do they employ, Senator Colbeck? I think it is around 50,000. They produce about \$2 billion worth of exports. Let us look at the meat industry in comparison. It employs around 55,000 and generates about \$8 billion worth of exports. That is four times what the car industry generates. What are they getting? They are getting relatively nothing.

Senator Colbeck—Higher fees and charges!

Senator NASH—They are getting higher fees and charges. Thank you very much, Senator Colbeck. I will take that interjection. It is simply stupidity to go down that track. All of a sudden, we are told that Senator Milne has found \$20 million. Please. That money suddenly materialised today. Why on earth didn't the minister come up with it a short time ago? He should have said: 'Okay, industry. Here we go. We recognise we are going to rip the heart out of so many parts of this industry, particularly the smaller sectors, if we impose this new tax.' That is what it is, my good colleagues. Do not look at it as anything but a new tax on the agricultural export industry. The minister should have said, 'We're going to impose this tax.' That makes a lot of sense, doesn't it? This tax is being imposed on the one industry, as I said when I started, that is underpinning the recovery of this nation. It is a little bit too cute by half for other senators in this place—and I recognise their absolute right to do it—to sit here and say, 'I did this and I did that.' Let us have a look at what it is actually going to do. In the letter from the minister to Senator Milne, he said:

The additional funding will effectively allow a rebate on ... charges ...

When talking about the cost reductions, he used words like:

... potentially enabling downward adjustment ...

I do not have the trust in this government that others do. I think I am very well founded in not trusting this government. This is about jobs in regional communities. This is about industries in regional communities. This is about sticking up for those parts of the industry that need someone to stick up for them. We are not going to stand here and say, 'Yes, it's okay for the minister to use standover tactics and say to the industry'—and this is effectively what he did—“If you don't make any noise about losing this rebate then I'll give you some money for the reform process.” It is not on. The minister knows he could quite effectively have left the funding there for the 40 per cent rebate and at the same time embarked on the reform process. We are not going to stand here and let those industries be belted by a new tax imposed by this Labor government. It is not fair. Anybody who understood regional Australia would not stand by and let it happen. Senator Milne has a bucket of money, but that is not the answer. The answer is to do it in a way such that the industry will not be belted by a tax while at the same time having the reform process go ahead. The minister knows it is well within his purview to do that, and he should do it.