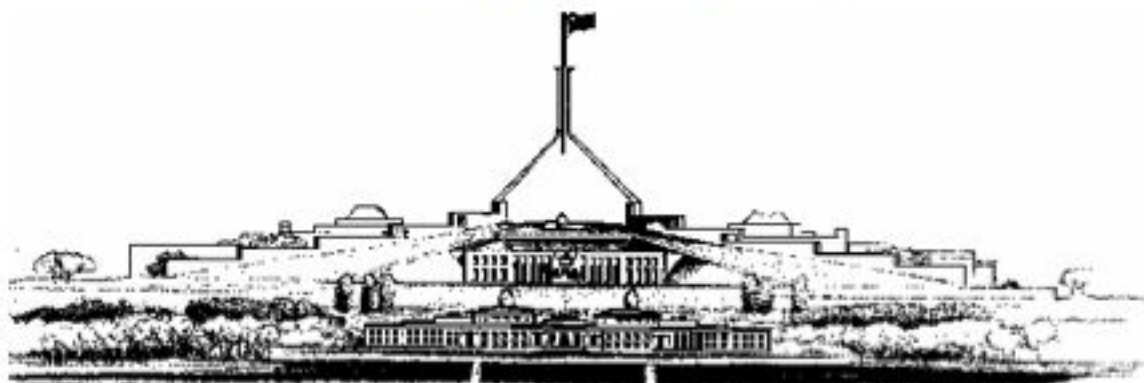




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

QUESTIONS WITHOUT NOTICE

Agriculture

QUESTION

Thursday, 14 March 2013

BY AUTHORITY OF THE SENATE

QUESTION

Date Thursday, 14 March 2013
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Questioner Xenophon, Sen Nick
Speaker

Source Senate
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Responder Ludwig, Sen Joe
Question No.

Agriculture

Agriculture

Senator XENOPHON (South Australia) (14:51): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig, in relation to the matters I raised with him yesterday in question time. With regard to the consultation process for cost recovery of export fees, can the minister indicate how many small businesses in total and in South Australia particularly were consulted and how many of these businesses had fewer than 20 employees? Did any small business owners participate in the ministerial task force? What other options for consultation were open to small businesses if they did not sit on the task force and were not directly approached by the department?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:52): I thank Senator Xenophon for his question and for the opportunity for the government to outline its consultation with horticulture exporters on fees and charges for the export certification in the horticultural industry.

Senator Kim Carr: Again.

Senator LUDWIG: Again. As outlined yesterday, Australian horticultural exporters are a diverse group. I think you have outlined that many of them are small businesses. I understand that and respect their involvement in this industry. The government has made considerable efforts to target well its communication about the \$127.4 million export certification reform program and its outcomes. On 24 November 2009 Minister Burke announced the program by media release and the government committed to reduce red tape and reduce the cost of government service delivery by \$30 million. We delivered on that aim. There was a reduction in the costs of the horticultural export program of about \$1 million, which is roughly 12.5 per cent. To give effect to that the government established a ministerial task force chaired by the Australian Horticultural Exporters Association, whose task it was to consult with their constituents and represent the interests of their members and the industry more broadly. The members of the task force included people from the

Australian horticultural exporters, people from the South Australian Industry Development Board, from Global Fruit Exchange, from the Australian Mango Industry Association, from citrus growers and packers, from the Nursery and Garden Industry Association, from Fruit Growers Tasmania, from Ironbark Citrus and Grapes, from Antico International Pty Ltd, from Horticulture Australia Limited, from Center West Exports, from the LaManna Group and from the AS Barr Group. I can go further. There was also a range—*(Time expired)*

Senator XENOPHON (South Australia) (14:54): Mr President, I would be grateful if the minister took on notice the question I just asked him about the number of small businesses consulted. I ask a supplementary question. Can the minister justify how a one size fits all fee schedule makes sense for Australian producers and how it does not discriminate against small producers? Can the minister indicate a willingness to examine a long-term model of cost recovery where there is a sliding scale of fees to accommodate small businesses?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:54): The fees and charges are set based on the forecast of running the program on a year-by-year basis. It is fair to say that I liaised with exporters to see if there was a better way to apply the fees and charges while at the same time addressing the chronic undercollection issue in the program. I distributed three separate models, which I am happy to provide to Senator Xenophon's office, about how we could move forward in making sure that there was not a chronic undercollection in this industry. The government provided transitional assistance to give effect to assistance and worked to achieve acceptance of the authorised officers in key markets to reduce costs. That is the government's role. I note that the opposition, as well as you, Senator Xenophon, have called on me to cut a deal for small exporters. I would argue that the package provided goes well beyond that: \$6.5 million in transitional assistance—*(Time expired)*

Senator XENOPHON (South Australia) (14:55): I have a further supplementary question, Mr President. Can the minister justify why small producers like Mick and Tanya Puntiero of the Riverland in South Australia, lime growers, should be forced to change their business

models either by moving out of exports entirely or by being forced to be part of a larger organisation because of a massive increase in fees, at least 300 per cent, without the short-term subsidy something like 1,300 per cent?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:56): As I have indicated, the government has made available \$6.5 million in transitional assistance, reducing Mr Puntiero's registration fee by approximately \$6,500, and a similar rebate is available across those businesses for registration. My department is also in close consultation with individuals such as Mr Puntiero. I am advised that he already exports through a third-party establishment and does not export through his own packing shed. We always encourage people to look at alternative options to the full registration fee and the department is discussing those options, and they are available across small business. However, some requirements in the system are requirements export markets place on the export supply chain, so they are also expectations from overseas markets that we meet those supply chain requirements. *(Time expired)*