



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

QUESTIONS WITHOUT NOTICE

Tasmania: Boyer Paper Mill

QUESTION

Tuesday, 2 December 2014

BY AUTHORITY OF THE SENATE

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Speaker

Source Senate
Proof Yes
Responder Abetz, Sen Eric
Question No.

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Senator LAMBIE (Tasmania) (14:34): My question without notice is to the senator representing the Prime Minister, Senator Abetz. I refer the senator to a letter to the Joint Commonwealth and Tasmanian Economic Council on behalf of 330 employees at the Boyer Paper Mill and the other 900 Tasmanians who rely directly on the mill's survival.

The letter notes, 'A significant cost disadvantage associated with shipping across Bass Strait has been known to the government for many years. But, with respect, the required reforms have yet to be implemented and an immediate solution is required in relation to international export costs if businesses in Tasmania are to survive.' When did the senator become aware of the letter, and does he agree that the 330 employees jobs at the Boyer Paper Mill and the other 900 Tasmanian jobs that are at risk if an immediate solution to international export costs from Tasmania is not found?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:35): In my 21 years in the Senate, I have been a very regular visitor to the Boyer mill, engaging with the staff, the management and the workforce. I believe I understand the issues.

One thing that the Productivity Commission review into the Bass Strait freight equalisation scheme—a scheme established by a former Liberal government, might I add—found that the biggest problem facing Tasmania was the scourge of the amendments made in relation to coastal shipping.

Senator Carol Brown: That's not true!

Senator ABETZ: Well, I am sorry—it is recommendation No. 1 from the Productivity Commission.

Senator Carol Brown: You haven't even responded to the Productivity Commission!

Senator ABETZ: You can shake your head; you can deny the obvious and you can deny the fact but, I am sorry, that is what the Productivity Commission said. We can deny that which the Productivity Commission said, but that is the biggest issue.

The problem that Boyer faces is this: to get a roll of newsprint all the way from New Zealand to Melbourne costs so much less than getting it across Bass Strait. The reason for that is the unduly high cost of coastal shipping around Australia, courtesy of the changes made by the Labor-Green majority in the Senate just a few years ago.

Am I aware of the problems of Bass Strait and the cost impediment it is to jobs, to Tasmanians? I have been aware of that for 21 years in this place and for many years before that, because the Liberal Party has a very proud tradition—

The PRESIDENT: Pause the clock. Senator Lambie on a point of order?

Senator Lambie: Yes, a point of order, thanks, Mr President. I just want the question answered.

Honourable senators interjecting—

The PRESIDENT: Order on both sides! Senator Lambie, you have the call.

Senator Lambie: Does he have an immediate solution to international export costs from Tasmania?

Honourable senators interjecting—

The PRESIDENT: Order! I am taking it as a point of order on relevance, Senator Lambie. You can continue.

Senator Lambie: Does he agree that there are 900 jobs at risk here if an immediate solution is not found? I just want a simple yes or no. Do you understand that? That is all I am asking.

The PRESIDENT: Thank you, Senator Lambie. The question was a little bit more complicated than a simple yes or no. The minister has been answering the question. I call the minister.

Senator ABETZ: As the Productivity Commission review indicated to all Australians and anybody who bothered to read it, there are complex issues in relation to Bass Strait. If anybody had a simple answer, I am sure that it would have been attended to immediately. (*Time expired*)

Senator LAMBIE (Tasmania) (14:38): Mr President, I ask a supplementary question. Once again I refer Senator Abetz to the letter, which says, 'Specifically we request the Tasmanian Freight Equalisation Scheme be expanded to include exports via Melbourne as proposed by the Productivity Commission, and the costs of this transitional assistance would be in the order of an additional \$20 million to \$25 million per annum.' Can the minister detail when his government will invest, as requested, the additional \$20 million to \$25 million per annum into the Tasmanian Freight Equalisation Scheme?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:39): I am sure Senator Lambie would be aware that the state Liberal government is dealing with issues of international export as well from the state of Tasmania and has made moneys available for that exact purpose. Can I also indicate that the government is working methodically through the Productivity Commission report, and that, under the restrained financial circumstances this nation faces—borrowing \$1,000 million a month as we speak just to pay the interest on the existing borrowings; completely and utterly unsustainable—money is regrettably in short supply. That is why we as a government are working very methodically through the Productivity Commission review's recommendations to ascertain what we can do to ensure that we can protect as many jobs as possible and indeed grow job opportunities in our home state of Tasmania.

Senator LAMBIE (Tasmania) (14:40): Mr President, I ask a further supplementary question. Once again I refer Senator Abetz to the letter, which says, 'While consistent with their pre-election commitment, the Tasmanian government's proposed subsidy of \$33 million over three years to reinstate a direct international shipping service will not deliver the expected benefits.' Does the senator agree with that statement regarding the disbenefits of a direct international service?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:40): Compared to what was on offer under the previous state Labor government, clearly that which the Hodgman government is seeking to deliver is a lot better than what was in place before—namely, nothing. So we do not deal with these things in a vacuum. In relation to the federal component, as I said, we are looking into this. It is a matter of concern. Mr President, as you would personally know, being part of the dynamic Tasmanian Liberal team in Canberra, we, all of us, are working together to achieve a landing in relation to the Freight Equalisation Scheme. I note that the member for Lyons has in fact been in the media in recent days absolutely—

The PRESIDENT: Pause the clock. A point of order, Senator Lambie?

Senator Lambie: The point of order is that all I want to know is—

The PRESIDENT: The point of order is on relevance, Senator Lambie?

Senator Lambie: Relevance. I just wanted a simple yes or no on the statement regarding the disbenefits of a direct international service. That is all I want to know. Yes or no: do you agree there should be a direct international service?

The PRESIDENT: Thank you, Senator Lambie. I think the minister was answering that component of your question. Minister.

Senator ABETZ: A lot of exporters are saying that they would like support to get their export product from Tasmania to Melbourne so that they would have an array and choice of international shipping services. (*Time expired*)