



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE
Manufacturing Sector
SPEECH

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Page 423
Questioner
Speaker Taylor, Angus, MP

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Mr TAYLOR (Hume) (15:51): This is not a socialist economy, in contrast to what many from the other side of the House might believe. Businesses create jobs, not governments. The coalition's plan is for half a million jobs in the next five years and a million jobs in the next 10, and we will do that by supporting the private sector, not by growing the public sector as the last government did. This means lower taxes, less and better regulation, more spending on infrastructure, less waste and reduced government expenditure to prevent crowding out of the private sector and private businesses. This means a better environment for small businesses, engendering the confidence required to encourage investment and employment.

Many are asking what sectors are going to provide those jobs. The good news is that we laid out that direction before the last election. I know those on the other side never accepted that, because it was not a Soviet-style five-year plan. But we recognised that these jobs would come from building on our strengths, not propping up our weaknesses. We know that job creation will come from fostering fast-growing markets to our north—in agriculture, in mining, in manufacturing innovation, in education, in tourism and in advanced services.

Let me expand on a couple of these opportunities that, clearly, the member for Wakefield does not want to hear about. In my electorate we see enormous strength in manufacturing innovation. In Cowra, in the western part of my electorate, Brumby Aircraft is manufacturing highly innovative light aircraft and is starting to export those aircraft into China. Brumby is innovative, smart, leading edge and a wonderful example of what Australia is capable of. But Brumby needs market access, supportive regulation and access to investment. All of these things are things that this government can deliver and the last government could not.

In contrast to what those opposite obviously believe, we see enormous potential in our traditional strengths of mining, agriculture and energy. There is much discussion about the potential to continue to grow our export markets for food, fibre, minerals and gas, particularly as we release the pressure on the dollar from the profligate government spending that we saw from the last government. Unfortunately, policies from the last government did enormous damage to those

sectors. Whether it was the mining tax, the shutdown of live exports or the impact of the carbon tax, they were hostile to our traditional strengths. Meanwhile, these markets for food, fibre, energy and minerals are growing at an unprecedented rate.

With the wonderful focus on market access driven by our Minister for Trade and Investment, I am confident that our ability to continue to create jobs and prosperity in these sectors is assured. But I want to focus for a moment not just on our commodity exports but on our service providers in these sectors. The importance of the commodity support sectors is not yet widely understood. I want to quote from a report that I recently co-authored in my work prior to coming to this place, a report called *Earth, fire, wind and water*:

The growth of domestic and export support sectors on the back of commodity industry growth is an important and untold story in the Australian economy.

And it has many miles yet to run—

Given the right policy settings—

And we are clearly setting those up now—

the opportunity for the service cluster may prove to be larger than the underlying commodity sector growth.

Many of the support services businesses are 'buried' in larger businesses ...

Many of the faster growing players in the services sector are still private. Most have emerged only recently from modest beginnings, and have not needed external equity capital to support their growth (at least until now).

Firms in these service sectors are often small and growing fast, which means they are inclined to stay out of public debates. The noisiest sectors are often those hosting large business organisations that are facing decline. Ain't that the truth! The commodity sectors directly employ around 450,000, but these service sectors are already employing about 250,000 in addition.

Better known companies include Orica, in explosives; Incitec Pivot, in fertiliser; Skilled, in labour hire; Campbell Brothers, in testing services; Worley

Parsons, in engineering; and a host of software companies. Many of these companies are growing faster offshore than onshore and are establishing global positions with Australian employees, based on based on unique capabilities, developed in their home market of Australia.

Only our macroeconomic and microeconomic settings will ensure that this job creation happens and that it translates into new jobs in electorates like mine.