

Political will can unlock trade gains



Bill Ferris argues the export scheme should be doubled. PHOTO: CHRISTOPHER PEARCE

A recent bipartisan Senate committee report on barriers to small and medium enterprises (SMEs) accessing free trade agreements has strongly argued that full funding be restored to the Export Grant Scheme.

Labor would be fully justified in increasing the funding of the scheme to a level

where applicants actually receive the advertised rebate.

The additional \$20 million promised by the Coalition is manifestly inadequate. A budget increase of at least \$50 million is needed.

A key plank to receiving the rebate is employment generated within Australia. Tech heavyweight Big Commerce said the scheme kept it in Australia. Atlassian stated the scheme was key to its early breakthroughs in the US. Notably both applied at a time when the scheme was fully funded.

A generous uplift in funding fits Labor's narrative and would receive strong support from unions, concerned by jobs moving offshore. Bill Ferris, former chairman of Innovation and Science Australia, argued the scheme should be doubled due to its effect on productivity, an effect far greater than the research and development tax offset. Singapore offers export incentives to SMEs six times greater per capita than Australia. Little wonder it rated 5th in the 2018 Innovation Index compared with Australia's 20th. A major conclusion of the Senate report was the difficulty and cost of SMEs accessing advice on opportunities available under free trade agreements. Due to budget constraints, this advice is not rebatable under the Export Grant Scheme. Its inclusion in a fully funded scheme would be well justified. Creating more jobs in Australia through free trade agreements is within our reach. It just needs the political will.

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