



PARLIAMENT OF TASMANIA

LEGISLATIVE COUNCIL SELECT COMMITTEE ON GROWING TASMANIA'S ECONOMY

REPORT

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CHAIR'S FOREWORD

The rationale behind this Inquiry is interwoven with the term 'economic and social future'. We are entering a period of positive change. It was not envisaged a decade ago but it is beginning to sweep through our economy and it will directly influence our future. This select committee aims to determine how to extract maximum advantage from that change, in particular for our regions and for our young people.

The goal is to emerge from this process with plentiful profit, additional employment for our young people, stronger cities and towns knitted into the fabric of this new opportunity, and every opportunity realised. The change is sweeping through our rural enterprises now and it has come to our tourism sector. Many things are coming together and the potential outcome is bigger than the sum of the parts. For the first time in decades I have the feeling that we are seeing positive change on a scale we have not seen since the hydro industrialisation of the twentieth century. This is different. It may not produce the same big enterprises, but taken together, the many elements will amount to a stronger economy and a stronger society.

It is based upon two factors: agriculture and tourism. Part of this opportunity we have brought about ourselves. At long last we are beginning to use our abundant water to promote agriculture. Our irrigation schemes are bearing fruit. They enable us to grow different things in different areas and have the produce available for local, interstate and world markets

The other opportunities I mentioned are in tourism. We are, at last, making some serious effort to capitalise on our wild and more remote areas. We all know the Government has a range of expressions of interest for tourism activities or developments in or around our protected areas. These should unlock the tourism potential of many places in Tasmania - it is a bold and overdue strategy

If we continue to do things in the old way, in a changed world, we are not thinking. We are not thinking about how we extract maximum advantage and have this state, Tasmania, at the cutting edge of service and production. Most of all we want to extract maximum advantage for our young people - people entering the workforce now, or in the next five, 10 or 15 years.

These people will need to be flexible and adaptive to capture advantage. They will need to be well-trained in tourism and astute in agriculture. They will need to recognise that the world has changed and the face of opportunity has also changed. They will know that we are part of an international market that is innovative and competitive, but they will also have to be very good at what they do.

To prosper in this changed world, we too will have to move with the times. Regarding work and opportunity, we need to shake off the Menzies-era attitudes that still permeate our work life at one level or another, and think deeply about how we will do better - much, much better - both to deliver the product and to embrace the opportunity.

The select committee will also assess the impact of the workplace relations framework on a range of matters from unemployment and underemployment to job creation and the ability of business and the labour market to respond appropriately to change in economic conditions. Observations will be forwarded to the Productivity Commission, which is currently looking at the whole range of workplace issues, to assist them in their inquiry.

The select committee has received submissions from and spoken to a raft of stakeholders at public hearings held in Hobart and Launceston and the report which follows provides a summary of the wealth of evidence which reflects the experience and aspiration of the talented participants in this Inquiry.

A handwritten signature in purple ink, appearing to be 'G. Hall', with a long horizontal line extending to the right.

Hon. Greg Hall MLC
CHAIR

Date: 6 August 2015

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ABBREVIATIONS LIST

CCCCI	Central Coast Chamber of Commerce and Industry
DSTA	Devonport and Surrounds Tourism Association Inc.
LCCI	Launceston Chamber of Commerce and Industry
SDA	Shop Distributive & Allied Employees Association
TCCI	Tasmanian Chamber of Commerce and Industry
TFGA	Tasmanian Farmers and Graziers Association
THA	Tasmanian Hospitality Association
TICT	Tourism Industry Council Tasmania
ToR	Term of Reference

1 APPOINTMENT AND TERMS OF REFERENCE

- 1.1 On Tuesday 24 March 2015 the Legislative Council resolved that a Select Committee be appointed, with power to send for persons and papers, with leave to sit during any adjournment of the Council, and with leave to adjourn from place to place to inquire into and report upon:-

The challenges surrounding the growth of business enterprises within Tasmania with particular reference to –

1. The economic diversification for Tasmania as a region – by identifying opportunities to implement changes which will ultimately deliver a long term internationally competitive framework, which will grow Tasmania’s performance in the tourism, hospitality, retail services and agriculture sectors of the State’s economy;
2. Any challenges associated with the referral of Tasmania’s powers under the *Industrial Relations (Commonwealth Powers) Act 2009*; and
3. Any other matters incidental thereto.

And further that the Select Committee consist of six Members.

And that –

Mrs *Armitage*;

Mr *Dean*;

Mr *Farrell*;

Mr *Hall*;

Ms *Rattray*; and

Mrs *Taylor* be of the Committee.

2 CONDUCT OF THE INQUIRY

- 2.1 The Committee resolved at its first meeting in relation to this Reference, to invite by way of advertisement in the three daily regional newspapers, interested persons and organisations to make a submission to the Committee in relation to the Terms of Reference.
- 2.2 In addition to such general invitation, the Committee directly invited a number of persons and organisations to provide the Committee with any information they deemed to be relevant to the Inquiry.
- 2.3 The Committee received 23 submissions, and 7 expressions of interest to appear before an Inquiry hearing.
- 2.4 Hearings were scheduled in Launceston and Hobart for four days from Monday 18 May to Thursday 21 May 2015 and the Committee heard from 25 witnesses.

3 SUMMARY OF ISSUES

The challenges surrounding the growth of business enterprises within Tasmania with particular reference to-

Challenges surrounding the growth of business enterprises within Tasmania:

- Availability of skilled labour
- Lack of appropriately targeted and resourced education
- Cost burden of freight and limited freight capacity
- Cost pressures/economy of scale
- Market access
- Confidence to invest
- Living in the past
- Regulatory burden on business
- Population

Term of reference (1):

The economic diversification for Tasmania as a region – by identifying opportunities to implement changes which will ultimately deliver a long term internationally competitive framework, which will grow Tasmania's performance in the tourism, hospitality, retail services and agriculture sectors of the State's economy

Opportunities to implement changes:

- Irrigation
- Technology
- Education
- Airfreight
- Environment
- Linking sectors
- Cultural competency

Term of reference (2):

Any challenges associated with the referral of Tasmania's powers under the Industrial Relations (Commonwealth Powers) Act 2009

Challenges associated with referral of powers:

- Penalty rates
- Public holidays
- Flexibility
- Unfair dismissal
- Workers compensation
- Workplace health and safety
- Should Tasmania be treated as a separate case?

Term of reference (3):

Any other matters incidental thereto.

Other Matters:

- Biosecurity
- Reform
- International students
- Business development
- Health

4 CHALLENGES SURROUNDING THE GROWTH OF BUSINESS ENTERPRISES WITHIN TASMANIA

The challenges surrounding the growth of business enterprises within Tasmania with particular reference to the economic diversification for Tasmania as a region

- 4.1 The submissions to the Inquiry, and evidence received during the hearings held in Launceston and Hobart, provided substantial data about the challenges to growth faced by business enterprises within Tasmania.

Availability of skilled labour

- 4.2 The demand for skilled labour, particularly within the agricultural sector, is outstripping supply and presenting a constraint to growth:

Mark Smith of DairyTas stated - *"Labour remains the number one issue for dairy farmers.....the ongoing issue generally tends to be around labour, around both management and operators - staff. In terms of quantum, it is the number of people who are interested to work in dairy, but also capability at a management and a supervisory level. There is quite a bit of industry effort going into that space, but it is a work in progress and it is an issue that requires ongoing effort. Quite a bit of that work has been driven from Dairy Australia with our involvement. They have a number of programs that are seeking to address that. I guess part of that is getting the community to understand the opportunities that are out there in dairy. The industry has progressed and has moved quite a way from historically what we see is an industry where you might be overworked, underpaid and it is not real flash work. It has changed a lot from that"*¹

This was also reiterated in the paper tabled by **Rabobank** and in the submission of the **Tasmanian Farmers and Graziers Association (TFGA)**.

"The ability to grow agricultural production will bring increasing demand for labour. For producers with intentions to expand capacity, accessing skilled labour is an important consideration when making investment decisions. For Tasmania, the labour market faces some headwinds. While labour supply is sufficient, access to skilled labour can prove challenging. Data shows the percentage of the population having completed high school (year 12) and a certificate two qualification or higher sits at 23 percent- above the Northern Territory (21 percent), but well below other

¹ Smith, DairyTas, Hansard transcript of evidence 19 May 2015, p.23

states. An increase in education and skills will support labour productivity.”²

“There is a well-documented shortage of labour in the agricultural sector; and this is at a time when unemployment in many rural areas is very high. This shortage is only set to increase over the next decade as baby boomers seek retirement and generations ‘X’, ‘Y’ and beyond are unable to fill the gap.”³

Lack of appropriately targeted and resourced education

- 4.3 Respondents within the agricultural sector also raised the challenge presented by the lack of appropriately targeted and resourced education opportunities within Tasmania:

Anthony Houston of Houston Farms stated - *“I see the lack of educational and entrepreneurial skills in the state as the number one constraint. It is really almost the only one.”⁴*

The TFGA submission provided the following comments:

“Most farm facilities in educational institutions are not being kept updated due to the financial challenges of operating in an environment where commercial realities are not the driving factor for the farm’s existence.

This has resulted in teaching being delivered in an environment that often has not kept pace with current technology and best practice. Rather than continuing a losing battle to make struggling farm education facilities viable and relevant, there needs to be a shift in focus to developing strong partnerships with industry to deliver the practical side of programs. This has dual benefits: education is delivered in a ‘real world’ environment; and stronger partnerships with industry are forged.

Farmers have traditionally been very poor in promoting training and education in their existing workforce. Whilst this trend is slowly changing, there needs to be a much quicker acknowledgment that an investment in skilled labour is an investment in their business. Farmers need to be much more proactive in helping to develop their own skilled workforce.

If the future demand for education and skills training is to meet industry expectations, then any model adopted must not just reflect the needs of a successful modern farming enterprise but also be proactive in looking at future needs.”⁵

² Rabobank, *Agriculture in Focus 2015*, p.10

³ TFGA submission p.6

⁴ Houston, Houston Farms, Hansard transcript of evidence 21 May 2015, p.25

⁵ TFGA submission p.6

- 4.4 Another factor raised was a lack of confidence among employers to invest in training for their staff:

Keith Rice of Primary Employers Tasmania stated - *"We are in desperate need of experienced farm workers and managers. In our view, good training is available. We have an excellent system at TasTAFE and we have some excellent training being performed at the present time that we are heavily involved in with skill sets training through the Skills Fund. Places are always heavily sought after. We have wool handling training, which is much sought after. We have the only accredited training for shearers and wool handlers in Australia, or the first to have that in Australia, something we are really proud of. It is not the inadequacy of training places, in our view; it is the ability of the small employer to compete in the labour market. It is the return that they are getting for their produce to give them the confidence to take on somebody without any skills to be able to perform and learn on that."*⁶

Cost burden of freight and limited freight capacity

- 4.5 Agricultural producers within Tasmania live with the reality of farming on an island state which, in the current environment, leaves them with no option other than to incorporate the higher cost of delivering their produce to market into their operating structures.

The view expressed by Rabobank is that - *"As a net exporter of food and agricultural produce, freight and logistics efficiencies are critical to the profitability of the sector. Tasmanian producers and processors face a number of challenges, most notably the cost burden associated with moving Tasmanian agricultural produce on domestic sea freight routes, and the ageing infrastructure that exists to move these goods to port. The requirement for all Tasmanian agricultural products to travel by domestic sea freight to access the Australian domestic market, or for the majority of containerised exports to be transhipped through the Port of Melbourne, immediately puts Tasmanian food and agricultural producers at a cost disadvantage."*⁷

This view was reinforced in the TFGA submission - *"TFGA believes that it is vital for the future economic viability of the state to ensure that there is a cost structure for Tasmania that approaches 'equivalence' to that enjoyed for freight moved between capital cities in Australian mainland states. This will enable more competitive movement of goods, services and people to and from Tasmania to domestic and export markets, as well as help attract investment capital. In turn, this will raise the private*

⁶ Rice, Primary Employers Tasmania, Hansard transcript of evidence 18 May 2015, p.13

⁷ Rabobank, *Agriculture in Focus 2015*, p.9

enterprise incentive to broaden the state's economic base and help reduce unemployment to the national average. What we require is a Tasmanian Logistics Plan. A plan to detail how we are going to cope with the increased agriculture output from the irrigation schemes and the demand from supplying Asia; a holistic plan that delivers a total freight system (intrastate, interstate and international) that puts Tasmanian business at least on an equal footing with other Australian states with regard to cost and efficiency.”⁸

During the hearings Melinda King of TFGA stated - *“Getting an extension of the Freight Equalisation Scheme is a good start but we only see it as perhaps an interim measure because we have to look at a long-term solution, whatever that may be. Freight movement on a national scale out of Tasmania is probably never going to be lucrative enough to attract a major shipping line permanently. It may fill one gap but it is not going to fill the immediate gap. The extension of the Hobart Airport will be another bonus.”⁹*

- 4.6 A consequence of high freight costs can be the curtailment of investment which captures supply chain growth as detailed in the **Wine Tasmania submission**:

“investment in the Tasmanian wine sector is not fully capturing the supply chain growth, with some businesses choosing to finish and package wine off-island, as a direct result of the higher freight costs.”¹⁰

- 4.7 Ageing infrastructure and limited freight capacity also has an impact:

Unions Tasmania submission stated - *“An obvious capacity constraint presents itself in the state of our infrastructure. Better mobility of freight and people will enhance our productivity and generate more wealth for our State.”¹¹*

The view expressed by Michael Bailey of the Tasmanian Chamber of Commerce and Industry is that - *“We need to make sure we can get our products to market as cost effectively as possible. We need to make sure that our state infrastructure is perfect. We need to show leadership by focusing on a container port. Every port may well do containers, but by focusing on one port and by ensuring that all the port infrastructure - the road and rail networks - is the best it can possibly be, all producers will know that is where the growth in Tasmanian exports will be.”¹²*

This was reinforced and expanded upon by **Howard Hansen of Hansens Orchards -** *“The previous recommendation of the TT-Line board to the*

⁸ TFGA submission, p.4

⁹ King, TFGA, Hansard transcript of evidence 18 May 2015, p.71

¹⁰ Wine Tasmania submission, p.10

¹¹ Unions Tasmania submission p.3

¹² Bailey, TCCI, Hansard transcript of evidence 19 May 2015, p.6

previous government of two additional ships dedicated to freight - I thought they had it. That was absolutely perfect and capacity building for the growth in agriculture we are going to have. It is our Hume Highway. We can't get anything anywhere without it..... I was recently asked to speak at the launch of the Australia-China Business Council, Tasmanian Chapter, and I said to them - and it sounds a bit pie in the sky, but I honestly don't think it is - the federal government made a commitment to extend the Hobart runway. A 747 can already land there but it can't take off again when it's full of fuel and product.

Those 747s hold approximately 110 tonnes of product. Cathay Pacific has multiple 747 jumbo freighters flying out of Sydney back to Hong Kong completely empty almost every week of the year. It is entirely realistic for us, when this runway is extended, to be working on regular airfreight shipments direct out of Hobart, to avoid all that Melbourne cost. The Melbourne cost - if you're talking about sea freight again, it costs us more to get to Melbourne than it does from Melbourne to virtually anywhere else in the world. We can get rid of that by going straight out of here. I know 110 tonnes of product sounds a lot, but on a busy day during summer we're doing 60 tonnes on our own, and that's just our business, without the rest of the cherry industry. We could very easily imagine, a few times a week, 10 or 15 tonnes of salmon, 10 or 15 tonnes of fresh milk, cream, cheese and butter. There is already a lot of Tasmanian crayfish, abalone, mussels, and oysters going to Melbourne to be air-freighted – they could go from here. We talk about the opportunities for apples, cherries, fresh vegetables, lettuce, wine, red meat - there is no reason you could not be flying red meat out as well. I think it is entirely realistic.”¹³

4.8 The potential benefit from the reinstatement of currently disused rail infrastructure in the North West of the State to agriculture, forestry and tourism was raised by **Ian Locke of the Central Coast Chamber of Commerce and Industry.**

“Rail stops at Burnie and the western link has been left derelict for some years now. It needs to be investigated whether it can be reinstated via the freight link. I think that is very important. It is good to note that the western Tasmania export corridor plan consultancy was awarded earlier this month. That takes quite a lot of consideration as to movement of freight from the west coast up to the north-west and also into Burnie.”¹⁴

¹³ Hansen, Hansen Orchards, Hansard transcript of evidence 20 May 2015 p.24

¹⁴ Locke, CCCCI, Hansard transcript of evidence 19 May 2015, p.13

Cost pressures/economy of scale

- 4.9 The challenge of cost pressures, which are impacted by higher input costs due to inward freight charges, when combined with a lack of scale also limits growth, as raised by **Sheralee Davis of Wine Tasmania**.

*"It is fair to say one of our key impediments is our scale today. We are still very small. We have a large number of vineyards that are very small. The average size of a vineyard in Tasmania is only 5 hectares. We have quite a lot of distance between those areas so in reaching that critical mass and overall production we are not quite there yet, which is why we have taken a strong and proactive approach to growth. We believe that, in itself, will start to resolve some of the profitability issues and challenges that exist. That is a key opportunity to continue that growth and make sure we reach some economies of scale."*¹⁵

- 4.10 The impact of labour costs is not unique to Tasmania.

Howard Hansen of Hansen Orchards stated - *"On my biggest days of payroll, if I was operating a business in Chile instead of Tasmania, my payroll would be \$100 000 a day less. That is our biggest challenge. If you look around the world, where we have competitive perennial horticulture businesses, they all have access to competitively priced labour resources. If you go to New Zealand, it is all workplace negotiation. The end result is their wage rates are about half the cost of ours.... We are trying to be internationally competitive, but our biggest individual cost is costing us so much more than any of our competitors in the world."*¹⁶

- 4.11 **The impact of penalty rates** was raised across a number of sectors and summarised in the **Devonport and Surrounds Tourism Association Inc. submission** as follows:

- *Service Industry businesses either close or drastically reduce services;*
- *Employees miss out on wage earnings, tips and employment opportunities;*
- *Service providers and suppliers of goods and produce miss out;*
- *The general public and Tourists have greatly reduced facilities; and*
- *The community at large miss out from lack of services and employee spending power.*¹⁷

¹⁵ Davis, Wine Tasmania, Hansard transcript of evidence 20 May 2015, p.11

¹⁶ Hansen, op. Cit., pp.26-27

¹⁷ DSTA submission, p.3

4.12 This directly impacts on Tasmania's reputation as a holiday destination as detailed in the **Tasmanian Hospitality Association submission**.

*"The THA is frequently contacted by members of the public after public holidays to complain that they were unable to access hospitality services due to businesses being closed. In many cases, these complaints are from locals entertaining interstate or international guests, and they are concerned at the reputational damage the state suffers at having a virtual closed for business sign hanging in the door."*¹⁸

This was also reinforced by **Steve Old of THA** when he attended the hearing - *"There is one industry that is going to let down the tourism industry quicker than anyone and that is the hospitality industry if we do not service the tourists coming to Tasmania. If we are going to put that message out to people to say Tasmania is open and they come down and we have the great restaurants, we have the great wine, we have great this and the great that, they have to be open. One of my biggest frustrations is when a tourist ship comes into Tasmania, whether it is in Devonport, the north west, or into Hobart, and I get the telephone calls from the media the next day saying why was it that most hospitality businesses were shut. People were complaining that no doors were open. It all leads back to this whole thing. That message going out to the rest of Australia and also the world is that Tasmania is closed for operation when what we are about is growing the economy. That means we need businesses to be open and employing people as much as we can."*¹⁹

4.13 Fuel and electricity charges have grown substantially as input costs over the last decade and the issue was raised in the **TFGA submission**.

"Rising fuel and electricity costs over the past decade have seen energy shift from a minor input cost to a substantial input cost for the agricultural sector. Whilst we have little control over the national price of fuel we can demand not just an account via the ACCC as to why the price of fuel in Tasmania is often comparative to that of remote inland areas of mainland Australia but also action that will deliver equity in pricing now and into the future. The soaring energy prices in Tasmania over the past decade have been well documented. Tasmania is now a part of the national energy market and under those rules TasNetworks, and its predecessors, are required to use a "full cost recovery" model for infrastructure installation and maintenance charges to customers. Whilst the state government has special rules for new irrigation installations, this ruling has had produced costs that are prohibitive for agribusinesses seeking to expand, value add or even implement business efficiencies. Some of the charges for works under the new pricing regime have almost doubled.

TFGA is aware of examples where farmers have had to rethink value add plans or changes to on farm changes that would improve efficiencies because of the layer of cost that would be added through the cost in installing, redesigning or relocation of energy infrastructure. Tasmania once had an energy market that made it attractive for big business to set up shop here Market competition has been held out for some time as the

¹⁸ THA submission, p. 3

¹⁹ Old, THA, Hansard transcript of evidence 18 May 2015, p.28

panacea for curtailing spiralling energy costs. The Tasmanian energy market is relatively small and attracting participation from mainland energy companies has been largely a failure to date. Recognising that there have been recent reductions in consumption charges and that there are recommendations yet to be actioned or resolved coming out of the Energy Review Panel, it remains imperative that downward pressure be placed upon the cost of supplying and using energy for primary production businesses.²⁰

Market access

4.14 Establishing access to export markets is critical given a tight domestic market.

Phil Pyke of Fruit Growers Tasmania stated - *"In many ways it is a boom time for the industry. In the past three years we have planted more apple trees than in the previous five decades. People in the cherry industry are waiting two years for root stock. In the berry industry we're looking at potentially up to a 400 per cent increase over the next four years. I have just come from the minister's office where we are delving into the next potential export from this state, which will be blueberries at this stage. We are working on trying to get the Federal Government to look at protocols around that.*

It is an exciting time for the fruit sector. What is also partially guiding that is the federal minister's vision of the world through the fruit and vegetable task force, which has some interesting outcomes of increasing the amount of fruit and vegetables sold out of the state by \$400 million by 2020. The vegetable sector unfortunately does not have access to key protocol markets across the world, as the fruit sector does in China, Japan, Korea, Taiwan and Thailand, so it would be a hard struggle for them to move into that space. I have a seat on that task force, with a meeting coming up in the next few weeks, and it will be interesting to see where that heads."²¹

The Fruit Growers Tasmania submission emphasised the importance of exports - *"...export is vital to the growth of the fruit and vegetable sector in this State. As outlined in the Fruit and Vegetable Task Force Report August 2014, the production targets are to effectively double in the next five years. The domestic market will not absorb another \$50m in fruit and \$250m in vegetables so the focus has to be on exports markets in order for growth to be achieved."²²*

The importance of growing the market was also raised by **Sheralee Davis of Wine Tasmania** - *"Our best example has been the national wine industry and also the New Zealand wine industry to a certain extent. Our wine producers are acutely aware of the challenges... Even in the Clare Valley, which is considered a premium wine region, producers*

²⁰ TFGA submission, pp4-5

²¹ Pyke, Fruit Growers Tasmania, Hansard transcript of evidence 20 May 2015, p.39

²² Fruit Growers Tasmania submission, p.2

*have suffered tremendously. It is through a couple of things. There were schemes put in place to grow production, not the market. There were managed investment schemes and there were accelerated depreciation arrangements around vineyards which saw a lot of that growth occur in the vineyard area and not necessarily in the market area. That growth occurred quickly and there was no strategy to make sure the market was growing ahead of that. We have really seen that and we have really been aware of that. The vast majority of our wine producers have recognised the fact that you need to grow the market. They are seeing that within their own businesses, which is why they are growing their own markets at the same time as we are collectively, and are now in a situation where they have confidence to reinvest in their businesses.*²³

Confidence to invest

4.15 The current lack of incentives to invest in growth was raised as a limiting factor by **Howard Hansen of Hansen Orchards**.

*"We really want to see the federal government create an environment where farmers want to invest in their own businesses. Nearly all European economies see agriculture as the cornerstone of their economy. Here we are, producing something out of sunlight and water and turning it into something we can sell - creating wealth out of nothing effectively. In those European economies virtually everything that a farmer might want to invest in is 100 per cent tax deductible in the year of expenditure. We just saw in the Budget - at this stage that's not going to apply until 1 July 2016 but it would be a great thing for Tasmania - that the expenditure on dams, irrigation and water will be 100 per cent tax deductible in the year of expenditure. For those farmers in the Midlands who now have water delivered to be able to invest in pipelines and irrigators, being able to claim 100 per cent of that as a tax deduction in the year of expenditure is a massive opportunity."*²⁴

²³ Davis, Wine Tasmania, Hansard transcript of evidence 20 May 2015, p.14

²⁴ Hansen, Hansen Orchards, Hansard transcript of evidence 20 May 2015, p.23

- 4.16 A continuing perception of sovereign risk was raised as a challenge to investment in forestry by **Mark Hunt of the National Centre for Future Forest Industries.**

“Capital is a big issue and the sovereign risk around that investment. It doesn't matter who I talk to, the sovereign risk involved in investing anything around forestry and forest products in Tasmania is enormous. Even to the extent that the University of Tasmania, and Tasmania generally, has been the leader in forestry research nationally for 25 years. Yet I still struggle to convince mainland companies and funding bodies to continue to invest here because their perception is too big a risk. If we invest money in R&D in Tasmania, it is tainted with the fact that you are still arguing about whether you should do it. Let us just go to Deakin or one of those other 41 universities on the mainland. That is the biggest issue.”²⁵

Living in the past

- 4.17 The aspiration to continue to do things in the same way as has been done in the past was also a key factor raised by **Mark Hunt of the National Centre for Future Forest Industries** as a challenge to the future of forestry in the State.

“At the moment, whilst the rest of the world is looking at engineered wood products and composite products and asking questions around bio-refineries, we are still talking about sawmills and pulp mills. There is not a way forward as long as you are doing that. That is not to say that there is not an opportunity for us to produce pulp. That is part of the bio-refinery output. It is not to say that we should not saw boards because architecturally they are a tremendously high value product, but to see that the sector will continue on that path rather than see it as a product split is not going to get us to the next stage.”²⁶

Regulatory burden on business

- 4.18 The compliance burden imposed on businesses was raised as an issue across all sectors.

Janine Healey of the Launceston Chamber of Commerce and Industry stated - *“One of the other things that we have noticed - and we were criticised heavily by the union body about the fact that people have mistaken views about things - the reality is that running a small business is hard enough. To get yourself over all the regulation, all the compliance*

²⁵ Hunt, National Centre for Future Forest Industries, Hansard transcript of evidence 20 May 2015, p.69

²⁶ Ibid, p.67

*burden, make sure you pay people correctly, make sure that you lodge everything that you need to lodge on time in the right way and in the right manner, is a big burden on small businesses in particular, where they are less likely to be skilled at it. Either they have to employ professional help, which costs a lot of money, or they get it wrong, then they suffer the consequences. It is about flexibility, not only in wage rates, but flexibility more generally and a lot of transparency and some education for business."*²⁷

In the **Property Council submission** reference is also made to the burden of regulatory framework - *"There remains too much regulation and duplication in the planning areaRegulation in Tasmania is a considerable burden on business, undermining productivity and efficiency, and reducing profitability."*²⁸

This was reinforced in evidence given by **Cheryl McCartie of DairyTas** - *"Inconsistency of regulation- Coming back to Tania's point about planning, it is more in the ballpark of the TFGA but we have farmers come to us who own property in different local council regions or boundaries or they go over a boundary, so some of the barriers to developing a business has been dealing with the different criteria of local government. I am sure you have heard from other industries around the same sort of thing, but something we hear from time to time is that if you want to build a dairy in Circular Head there is Wynyard and Dorset councils to deal with. All the planning schemes are quite different so for investors coming to our state that is a concern. A lot of our existing farmers struggle with it because they have one farm where they can practically do anything and another where they cannot."*²⁹

Population

4.19 The limitations imposed by Tasmania's current demographic are recognised by the Government and in its submission it makes reference to the Population Strategy it plans to develop for the State. Witnesses raised the issue in their submissions and during hearings.

The **Property Council submission** states - *"For generations, young people have left Tasmania in their early 20's to pursue opportunities on the mainland and overseas. However, these people often return to live and work in the safe and supportive communities found throughout Tasmania. The challenge remains to both retain those who do not return and attract more working families to our state. This will be achieved through leadership which demonstrates an ability to conquer economic challenges, most particularly job creation, and through showcasing the state's ability*

²⁷ Healey, LCCI, Hansard transcript of evidence 18 May 2015, p.44

²⁸ Property Council submission, pp4-5

²⁹ Mc Cartie, DairyTas, Hansard transcript of evidence 19 May 2015, p.27

to generate its own wealth.....Adequately resource the development and implementation of a Population Strategy which is underpinned by sustainable economic growth. This contribution should be in line with the recurrent investment in the tourism industry.”³⁰

4.20 Low permanent population levels have an impact on the level of service provided out of peak time, and **Devonport and Surrounds Tourism Association Inc.** asserts that this has impacts on the service provided to visitors to Tasmania.

“The low permanent population base of Tasmanian cities and towns and thus the lower volume of custom exacerbate the situation and make it all the more difficult for venues to trade profitably particularly out of normal trading hours.”³¹

³⁰ Property Council *ibid* p.4

³¹ DSTA submission, p. 1

5 OPPORTUNITIES TO IMPLEMENT CHANGES TOR (1)

-by identifying opportunities to implement changes which will ultimately deliver a long term internationally competitive framework, which will grow Tasmania's performance in the tourism, hospitality, retail services and agriculture sectors of the State's economy

- 5.1 The level of optimism in many of the submissions and expressed by many participants during the hearings was high. Strong demand growth in emerging markets and recent free trade agreements provide Tasmanian producers with further potential to expand trade³². This section summarises the discussion around emerging opportunities and initiatives currently underway.

Irrigation

- 5.2 Confidence about certainty of water supply is driving agriculture as the Australian and State governments and farmers invest in irrigation infrastructure throughout Tasmania.

Anthony Houston of Houston Farms stated- *"The other big driver is the water infrastructure, half a billion dollars' worth of water gone in. So it is water and left-field thinking. Something has changed in Tassie and I don't know what it is, but there is a definite change and it feels more like our business than it did three or four years ago."*³³

This is reinforced in the **Rabobank** paper - *"The greenfield irrigation infrastructure projects will enable water to be delivered to regions with lower and less reliable rainfall, and are a key driver of the opportunity for growth in Tasmanian agriculture. The linkage is that improving productivity and reduced risk ultimately helps improve farmgate profitability and confidence, which can fuel further expansion in the sector."*³⁴

³² Rabobank, *Agriculture in Focus 2015*, p.1

³³ Houston, Houston Farms, Hansard transcript of evidence 21 May 2015, p.23

³⁴ Rabobank, *ibid*, p.7

Technology

- 5.3 Research and development being driven by alliances between the University of Tasmania (UTas) and industry has the potential to bring about efficiencies and improvements to help Tasmania's performance internationally. **The TFGA submission makes the following reference:**

*"the implementation of technology through projects such as Sense-T will help Tasmania grow and compete in international markets. If we fail to keep pace with technology and take advantage of the advantages that it offers then we will fall behind other states and countries. If we remain proactive and try to position ourselves at the front of the pack through early adoption then we may be able to offset some of our challenges such as freight through efficiency gains delivered by technology such as robotic dairies and sensory technology."*³⁵

- 5.4 Sense-T is a data research project that collects and analyses data from a range of different public and private sources, particularly from sensors. Information can then be given back to businesses, governments, researchers and communities to allow them to make better decisions and find practical solutions to real-world problems.³⁶
- 5.5 The University is working in supply chains with food innovation and food safety to assist Tasmania's agriculture industries develop profitable value-adding arms to their businesses.

Anthony Houston of Houston Farms stated - *"Only two years ago Simplot and the farmers were fightingI met with Simplot the other day and they were excited, they were like a bunch of kids, because they have new technology coming in....the university has this thing.... a microwave technology that Simplot is taking on and CSIRO is behind that. They are really excited and are now getting growth, whereas before there was no growth."*³⁷

The **Wine Tasmania submission** also provided detail of their alliance with the University - *"Wine Tasmania and the TIA have jointly developed an outcomes-focussed research proposal to investigate yield stability and predictability, including the relationship and impact on quality at different yields."*³⁸

³⁵ TFGA submission, p.5

³⁶ UTas submission, p.4

³⁷ Houston *op. Cit.*, p. 24

³⁸ Wine Tasmania submission, p. 9

5.6 Emphasis was placed upon the importance of rethinking the State's current and historical approach to the forestry sector.

Mark Hunt of the National Centre for Future Forest Industries

stated - *"The whole idea with engineered wood products and about this approach is we are thinking about performance specifications. Let us think like architects, not like sawmillers. Let us think like engineers, not like foresters. We want a span that goes from there to there with certain strength characteristics and certain weight characteristics. Ideally, it will have other characteristics that have advantages around transport efficiency and OH&S. What do we need in order to do that?"*³⁹

*It is not about saying: this is a tree, what can we do with that tree? It is about: this is a material, what can we do with that material? It is forestry and forest products as manufacturing. This is the real opportunity. We all know that - my view is and I think it is shared by many people - primary and tertiary industry is great, but we need some secondary industry. Manufacturing is difficult. Manufacturing is going to place a lot of challenges around a carbon and energy constrained economy, and it faces a lot of problems around our distance to market and our high labour cost. We have a natural advantage if we can use wood and wood is a material that is going to emerge and grow."*⁴⁰

This view was reinforced in the **Private Forests Tasmania submission**:

"it is imperative that we find a new and viable use for the millions of tonnes of what was once called "native forest pulpwood" – a product once sought after in the international pulp and paper marketstogether with sawmill residues these harvesting "residues" are a bi-product of conventional sawlog production forest management regimes. However, in achieving this we need to think differently about our forest products sector more broadly.

*The sector needs a new vision; a vision looking beyond the traditional products that have dominated its history; a vision that is appropriate and relevant in a carbon constrained world that we are being told lies in front of us; a vision that focuses more on the building blocks of wood (cellulose and lignin) than wood itself; a vision that could be (for example): "To be a sector producing cellulose based products for society that, in a carbon constrained economy, are highly sought after and, as appropriate, used in preference to alternatives products - be it for building, energy/fuel, chemicals"*⁴¹

³⁹ Hunt, *op. Cit.*, p.68

⁴⁰ *Ibid*, p.69.

⁴¹ Private Forests Tasmania submission, p.3

- 5.7 Growing the manufacturing sector was further discussed in a **submission from Envorinex** who listed the sectors advantages:

*"Consistently provides over 10% of GSP; offers the provision of consistently sustainable employment growth; and offers the ability to accelerate Tasmanian economic growth with minimum Tasmanian Government assistance and generate high rates of economic and employment growth in the short term"*⁴²

- 5.8 Information technology plays an integral role and this leads into the potential education provides for implementing change. **Ray Leonard of the Australian Computer Society stated:**

*"Improving digital literacy across the entire community, from school aged children through to adulthood, will see a rise in the success of our community, industries and government. Indeed, digital literacy is foundational for a dynamic and confident economy. Further, to build upon the digital literacy of our state, the Government needs a plan for developing talent through government supported programs. Any such plan needs to be developed in accordance with a single unified ICT strategy for Tasmania"*⁴³

Education

- 5.9 Education is critical to the success of all industries and the State as a whole.
- 5.10 Available skilled labour and access to appropriately targeted education were presented as challenges in an earlier section of this report. The University has committed to introducing changes to address this which were detailed in the **University of Tasmania submission:**

*"Proposal: the University's Faculty of Education and TIA develop a set of appropriate curriculum units for the preparation of teachers for farm schools and for the upgrading of existing teachers and that these courses be offered nationally and, importantly, internationally through a combination of online and farm school-based experiences."*⁴⁴

"The University has proven its ability to deliver alternative education pathways for those Tasmanians who are not degree-ready but are interested in developing further skills. By developing pathways into the University through lower-level qualifications, aspirations of Tasmanians

⁴² Envorinex submission, p.3

⁴³ Leonard, Australian Computer Society, Hansard transcript of evidence 21 May 2015, p.15

⁴⁴ UTas submission, p.8

can be raised, particularly in regional areas with traditionally low educational attainment.”⁴⁵

5.11 Evidence was also provided of initiatives underway within the fruit sector:

“Fruit Growers Tasmania has been working to increase capacity in the industry through hosting certified training in production horticulture on orchards using TasTAFE as the registered training organisation...the growth in the sector cannot be sustained without a trained workforce including the projected growth in exports.”⁴⁶

Howard Hansen of Hansen Orchards provided the following detail -
“We have a young guy working with us who was not engaged in school - his parents couldn't keep him at school. The only way they could keep him there was if he started doing a workplace apprenticeship with us. He came to us for three days a week, as long as he went to school for the other two. He has just received a scholarship to study at Marcus Oldham and it's like flicking a switch. All of a sudden he is committed and engaged. He rang me on the weekend and he said, 'Look, at the end of this year I get a Diploma in Agribusiness, but I'm speaking to the college about doing the prac here and then coming back in two years' time and doing the Diploma in Farm Business Management'. Straight away we've engaged him and we now have a kid who is going to make a very valuable contribution to our community.”⁴⁷

Airfreight

5.12 The potential to airfreight goods directly from Tasmania to international markets will be made possible with the extension of the runway at Hobart airport:

Howard Hansen of Hansen Orchards stated - *“Currently everything we do in air freight has to go in wide-bodied planes.....and we're not bringing any of those into Tasmania. Most of the cherries we do are going in the underbelly of passenger flights....the federal government made a commitment to extend the Hobart runway. A 747 can already land there but it can't take off again when it's full of fuel and product. Those 747s hold approximately 110 tonnes of product....It is entirely realistic for us, when this runway is extended, to be working on regular airfreight shipments direct out of Hobart, to avoid all that Melbourne cost.*

The Melbourne cost - if you're talking about sea freight again, it costs us more to get to Melbourne than it does from Melbourne to virtually anywhere else in the world. I know 110 tonnes of product sounds a lot, but

⁴⁵ UTas submission, p.7

⁴⁶ Fruit Growers Tasmania submission, p.3

⁴⁷ Hansen, op. Cit., pp.25-26

on a busy day during summer we're doing 60 tonnes on our own, and that's just our business, without the rest of the cherry industry. We could very easily imagine, a few times a week, 10 or 15 tonnes of salmon, 10 or 15 tonnes of fresh milk, cream, cheese and butter. There is already a lot of Tasmanian crayfish, abalone, mussels, and oysters going to Melbourne to be air-freighted – they could go from here. We talk about the opportunities for apples, cherries, fresh vegetables, lettuce, wine, red meat - there is no reason you could not be flying red meat out as well. I think it is entirely realistic.”⁴⁸

Environment

5.13 Earlier sections of this report have detailed disadvantages associated with Tasmania’s island status but this also presents many positives and advantages.

Anthony Houston of Houston Farms tabled a paper which makes reference to this - *“wild island at the bottom of the globe, this is our greatest asset; it’s what sets us apart from anywhere in the world – we must protect it.”⁴⁹*

This was repeated by **Ian Locke of CCCCI** - *“One of the benefits of Tasmania is that it is an island down south. That is one of our strongest benefits. That is why we can do a lot of the areas we are successful in, whether it is in aquaculture, horticulture, or other products that are agri-business based.”⁵⁰*

5.14 Witnesses provided evidence that the niche market positions that have been achieved has been made possible by the clean, green status of Tasmania.

The Fruit Growers Tasmania submission stated - *“It is Tasmania’s unique position in the world which provides this State with equally unique market access into China, Japan and Taiwan for cherries and apples and Korea for cherries only.However, equally at risk for this State are our biosecurity regimes and therefore our unique market access on which increasing investment is occurring.”⁵¹*

This is reinforced in the combined **submission from the NW Chambers of Commerce and Industry** - *“Maximise our GMO status and push more organic farming ventures as this is the direction the world is taking and Tasmania should be on the leading edge. Look at Cape Grim Beef – taking*

⁴⁸ Hansen, Hansen Orchards, Hansard transcript of evidence 20 May 2015, p.24

⁴⁹ Houston, tabled paper *“Industrial revolution to Climate Change and the Technological Age”*, p.3

⁵⁰ Locke, CCCCI, Hansard transcript of evidence 19 May 2015, p.15

⁵¹ Fruit Growers Tasmania submission, p.1

*full advantage of the world's cleanest air and rain to raise premium, grass fed, non-GMO, hormone free beef."*⁵²

Linking sectors

5.15 Developing mutually beneficial relationships within and between sectors was raised by **Graeme Lynch of Wine Tasmania**.

"Throughout our submission that we have intertwined the connections between the wine industry and other activities in Tasmania. We work very closely with our colleagues in the whisky and spirits business, the cider business, which is growing, and the boutique beer business, but also the links to tourism and the role tourism can play in the business models. Stefano Lubiana, to use that example, with their cellar door activity, retail activity, encouraging people to come to Tasmania and for wine to be part of that experience.

*MONA is the best example of all, the vineyards you see when you arrive, the very large winery and the offering they have. This is where a lot of the potential lies in the wine industry. It's not only in its own production of grapes - and there are very significant margins to be made for people who just sell grapes - there is the value add in selling wine, whether that be through wholesale, export or cellar door directly, and then the other activities that can sit around that. There is scope for all these business models to be further developed and encouraged."*⁵³

Cultural competency

5.16 Providing training to build cultural capability and competence and develop inclusive intercultural practices was raised in the **Unions Tasmania submission** as important to ensuring success to operating in a culturally diverse tourist visitor environment.

*"The ability to grow our tourism and hospitality industries (particularly in the Asian markets) could be assisted by ensuring that employees in the sector are fully Asia literate and are inter-culturally competent."*⁵⁴

⁵² NW Chambers of Commerce and Industry submission, p.12

⁵³ Lynch, Wine Tasmania, Hansard transcript of evidence 20 May 2015, p.12

⁵⁴ Unions Tasmania submission, p.5

6 CHALLENGES ASSOCIATED WITH THE REFERRAL OF POWERS

ToR (2)

Any challenges associated with the referral of Tasmania's powers under the Industrial Relations (Commonwealth Powers) Act 2009

- 6.1 The opinions and views expressed in submissions and during the hearings by witnesses varied and are summarised in this section.

Views expressed ranged from:

Keith Rice of Primary Employers Tasmania's view - *"to put it bluntly, agriculture could not operate under the state system as it was. If we go back, throughout the eighties and nineties and up and through 2000 we have moved the majority of our members from the major farming, horticultural enterprises of the Tasmania, and vineyards, into the federal system even before the referral took place.....the system was rigid, was very difficult to operate under in Tasmania and federal system was far more flexible. That is not to say it is not without its road blocks and speed humps along the way."*⁵⁵

To:

The view expressed in the **Devonport and Surrounds Tourism Association Inc submission** that - *"The present award system is an intolerable imposition and an impediment to a sustainable and progressive industry."*⁵⁶

Penalty rates

- 6.2 Penalty rates were a key issue discussed and witnesses expressed varying opinions in their submissions and during the hearings.
- 6.3 Reform of penalty rates to reflect the seven day operation model was raised by a number of witnesses including the **Devonport and Surrounds Tourism Association Inc.**

*"It is the opinion of Devonport and Surrounds Tourism Association Inc members that the current penalty rate awards should be amended to reflect a 7 day industry. It is we believe far better to have a fair pay for fair days' work rather than no pay at all."*⁵⁷

⁵⁵ Rice, Primary Employers Tasmania, Hansard transcript of evidence 18 May 2015, p.10

⁵⁶ DSTA submission, p.1

⁵⁷ Ibid p.3

- 6.4 Another factor discussed in the **Unions Tasmania submission** was the reliance of employees upon the current penalty rates to make ends meet.

*"Penalty payments received by workers form a vital component of consumer demand in Tasmania's economy, without which the hospitality, tourism and retail services sectors would contract."*⁵⁸

- 6.5 The argument was made, and countered, that penalty rates are such an impost that businesses will not open.

In the opinion of **Michael Bailey of the TCCI** - *"Every state chamber has penalty rates as one of its top three issues. We hear it all across the country and it is no different in Tasmania. When we ask businesses why they are not open, they tell us they cannot afford to be open, the penalty rates kill them. That is just how it is."*⁵⁹

Steve Old of THA stated - *"A lot of our members have told us that if they could break even on public holidays at worst they would be happy to open and provide the service to the locals and tourists..... but the fundamental issue is that if a business can't make money and loses money, you have to ask them why they open their doors. It comes back to general goodwill or the fact that they will get family in and work on skeleton staff and not provide the services they normally offer, which means no-one really wins."*⁶⁰

Whereas **Janette Armstrong of United Voice stated** - *"Another reason we don't support the removal or reduction of penalty rates is that penalty rates are not the reason Tasmanian businesses are folding. Across Australia we see the main reasons for businesses folding are poor strategic management; issues with cash flow; poor financial control, including lack of records; undercapitalisation; and poor management of accounts receivable. That is data from ASIC."*⁶¹

- 6.6 Reform to ensure that businesses do open and provide work and service to locals and tourists is the desired outcome as raised **by Steve Old of THA**.

"As to the conversation I've had with the union previously, I'm quite happy for the union to ask for 10 times more money on a public holiday, but if a business isn't open, those poor staff are getting nothing. We're not saying that penalty rates need to be wiped. That is a ridiculous argument that's never going to happen. We don't want to see it because we need to look after our staff. What we're saying is the balance isn't right at the moment. If Tasmania and any state is not getting the economic activity and a business is shut, then no-one is winning. That is fundamentally what we

⁵⁸ Unions Tasmania submission, p.9

⁵⁹ Bailey, TCCI, Hansard transcript of evidence 19 May 2015, p.8

⁶⁰ Old, THA, Hansard transcript of evidence 18 May 2015, p.31

⁶¹ Armstrong, United Voice, Hansard transcript of evidence 20 May 2015, p.77

want to get to. So how do we structure this award system to make a business is open, an employee gets their wages, tourists be happy, locals be happy, and everyone wins? We're not at that position at the moment.”⁶²

- 6.7 In agriculture penalty rates impose high imposts on producers competing with their counterparts in countries where similar rates do not apply as discussed in the **TFGA submission**.

“At the height of harvesting many farmers and agricultural contractors are faced with paying penalty provisions that add a substantial layer of production cost generally not borne by those countries that Tasmanian agriculture seeks to compete with in global markets.”⁶³

- 6.8 The requirement of minimum hours of engagement also featured in the **TFGA submission**.

“Currently there is a minimum engagement of three hours for casual workers under the Pastoral Award. This proves extremely challenging for the dairy industry as all but the larger enterprises do not need an employee to cover a milking that may only last 1 to 2 hours. This prevents many from engaging someone on a casual basis to cover milkings. Often the person that would otherwise be engaged in this type of role may be a mother or young person who is only seeking an hour or two of work. The TFGA believes that the minimum engagement is an unnecessary mandate as the market has the ability to dictate what an acceptable period of engagement for an employee is.”⁶⁴

Public holidays

- 6.9 The harmonisation of public holidays in Tasmania was a desired outcome of many of the witnesses.

The Unions Tasmania submission stated - *“Harmonisation of public holidays around the State should be considered as part of a strategy for a more efficient Tasmanian economy.”⁶⁵*

A similar view was expressed by **Keith Rice of Primary Employers Tasmania** - *“Our view is it would be an advantage to have consistency across the state provided there are not any more. It is really difficult in the*

⁶² Old, *op. Cit.*, p.35

⁶³ TFGA submission, p.8

⁶⁴ *Ibid*, p.8

⁶⁵ Unions Tasmania submission, p.7

busiest time of the year for the fruit industry and for the tourist industry when all the people are about is when most of the holidays occur.”⁶⁶

6.10 Additionally, discussion was held about the recognition of the significance of some of those days over others when applying award conditions.

John Collier of THA stated - *“There are 11 public holidays under the Statutory Holidays Act which means employers in the industry have to pay penalty rates on those 11 days. However, our argument is that there should only be penalty rates payable on the eight public holidays referred to in the Fair Work Act which we say are of more significance than some of the other days. Those days are New Year’s Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Queens Birthday, Christmas Day and Boxing Day. We say that days such as the Eight-Hour Day or Labour Day have less significance so employers should only pay public holidays on eight of the 11 days”⁶⁷*

6.11 Other issues discussed with the Committee included:

Flexibility

The LCCI submission stated - *“It is important that flexibility is built into our system to allow businesses to attract and retain skilled workers. Even if the Federal government was to change the current Penalty Rates regime, there continues to be a need for businesses to have the flexibility to incentivise skilled people to work at times when that are needed, and meet the needs of that business/clientele.”⁶⁸*

Unfair dismissal

Keith Rice of Primary Employers Tasmania stated - *“Unfair dismissals are not the issue they used to be but they’re still an impediment for small employers. They don’t have access to a large HR organisation within their own enterprise. They have access to people like me who can help them from time to time but normally they’re very busy and have made the decision before they talk to organisations such as ours when it gets difficult. The way the system is at the moment, in your first 12 months, if you employ fewer than 15 people, certain protocols are sitting in place. But we find that some people do go off the boil after 12 months, and then you find it enormously difficult to go through the process if you are working side by*

⁶⁶ Rice, Primary Employers Tasmania, Hansard transcript of evidence 18 May 2015, p.18

⁶⁷ Collier, THA, Hansard transcript of evidence 18 May 2015, p.30

⁶⁸ LCCI submission, p.2

side this person. In many of the instances that we do, that is exactly where you are working right there with them on a daily basis.”⁶⁹

Workers compensation

Keith Rice of Primary Employers Tasmania also discussed this matter - *“In our view, we have an overly generous workers compensation system. I say that with some concern because as an organisation we have always fully supported a fair and equitable workers compensation system for those who are genuinely hurt at work. The problem we're finding now, and it's been about for the last 12 years, is that employers from day one are required to make weekly payments until such time as it goes before a tribunal, even if there is enormous doubt about a workers compensation claim.”⁷⁰*

Workplace health and safety

The TFGA submission referred to recent changes - *“The adoption by Tasmania of the National Workplace Health and Safety code has ensured that all farm businesses are now under this regime – whether they are direct employers or not. The new system sought to make WHS simpler and more streamlined however for many employers it has added more grey to the plethora of regulation that controls them daily.”⁷¹*

Should Tasmania be treated as a separate case?

Keith Rice of Primary Employers Tasmania made the following proposal - *“We could make a recommendation that Tasmania be treated differently. I don't believe the cost of living is anywhere near as high in Tasmania. I think statistically we would be able to prove that - the cost of housing. Yes, our fuel is a bit dearer and those things, but your principal costs of raising a family are much lower here with a home and your mortgages and those things. So we could make out a case for that to go to the Federal Government because it would need an amendment to the federal legislation”⁷²*

The sentiment was echoed to some extent in the **THA submission** - *“Tasmania (should) be given special consideration for penalty rate relief within the hospitality sector....As Tasmania's third-largest employment sector, hospitality is not only a critical sector in terms of the state's ability to market itself as a global destination of choice, it plays a key role in the overall economic wellbeing of the state. In recognition of this, a reduction*

⁶⁹ Rice, Primary Employers Tasmania, Hansard transcript of evidence 18 May 2015, p.13

⁷⁰ *Ibid*, p.13

⁷¹ TFGA submission, p.8

⁷² Rice, *op. Cit.*, p.15

*of penalty rates that apply to Sundays and public holidays would enable greater economic activity, increased service levels, and additional employment."*⁷³

⁷³ THA submission, p.6

7 OTHER MATTERS ToR (3)

Any other matters incidental thereto.

7.1 This section summarises a number of additional matters raised during the Inquiry.

Biosecurity

7.2 As discussed in section 5.13 the environment is a strong positive factor for the State and maintaining a strict biosecurity regime was raised as critical by a number of witnesses.

Anthony Houston of Houston Farms stated - *“(the)Government must ensure it has the resources to keep the state free from exotic diseases and pests. Honey, fruit, potatoes, forestry, salmon to name but a few have real threats on our doorstep.”*⁷⁴

The importance of this issue was also raised by **Phil Pyke of Fruit Growers Tasmania** - *“Biosecurity Tasmania....is a professional organisation willing to listen to industry and willing to engage industry. It suffers a lot of unwarranted criticism but I if I was going to put something squarely on the table at this point it is the fact we don't recognise our biosecurity officers are frontline officers in this state. They should be because of the value of what they protect. The issues around fruit fly in New Zealand made us very nervous. ... they were brought in by airline passengers.*

That is the key point of suspicion, as opposed to commercial fruit coming into New Zealand untreated. That is of concern for us and we welcome the minister's recent announcement around \$2 million into detector dogs for the airports, because as we know and we are certainly up-front about the fact that when you come in there is a person asking you if you have fruit and vegetables in your bag and really no-one wants to answer that question anyway because we all want to get our cases and nick off home.

*We need to have the dogs there working across that. We certainly welcome that because really it is a \$2 million investment in the fruit sector. We cannot afford to lose these markets. To lose that market, particularly China - two flies in two traps in two weeks. That is such a knife edge. Certainly the minister has responded quite admirably in relation to that.*⁷⁵

⁷⁴ Houston, tabled paper “Industrial revolution to Climate Change and the Technological Age”, p.2

⁷⁵ Pyke, Fruit Growers Tasmania, Hansard transcript of evidence 20 May 2015, pp39-40

Reform

7.3 A number of witnesses raised concern about and called for the review and reform of a number of areas:

Taxation

The Property Council submission stated - *"There should be a Review of State Taxation to consider other taxes and levies and their impacts on business and the community, including:*

a. the need for transparency and consistency in the charging of council rates across the state; and

*b. the appropriateness and applicability of development charges and levies."*⁷⁶

Brian Wightman of the Property Council reinforced this at the hearing - *"there is going to be a national conversation about tax, whether we like it or not, whether we commit to it, whether people believe in GST increases or land tax broadening or stamp duty reduction. There is going to be a national conversation around the white paper. The Property Council would like to see the review of taxation in Tasmania back in force."*⁷⁷

The University of Tasmania made reference to the matter in its submission - *"A challenge for the growth of the Tasmanian economy is having a serious discussion about tax reform with which to provide a basis for long-term sustainable investment in initiatives which provide the foundation for future growth."*⁷⁸

And the LCCI also referred to this matter – *"A key issue raised from the Chamber survey was the drain that Payroll Tax has on our business community."*⁷⁹

Tax deductibility

Howard Hansen of Hansen Orchards stated - *"Nearly all European economies see agriculture as the cornerstone of their economy..... In those European economies virtually everything that a farmer might want to invest in is 100 per cent tax deductible in the year of expenditure. We just saw in the Budget - at this stage that's not going to apply until 1 July 2016 but it would be a great thing for Tasmania - that the expenditure on dams, irrigation and water will be 100 per cent tax deductible in the year of expenditure. For those farmers in the Midlands who now have water*

⁷⁶ Property Council of Tasmania submission, p.12

⁷⁷ Wightman, Property Council of Tasmania, Hansard transcript of evidence 20 May 2015, p.55

⁷⁸ UTas submission, p.15

⁷⁹ LCCI submission, p.3

delivered to be able to invest in pipelines and irrigators, being able to claim 100 per cent of that as a tax deduction in the year of expenditure is a massive opportunity.....We want to invest but we want to be encouraged to invest by making a lot of what we do a bit more tax deductible.”⁸⁰

The following matters were raised in the Property Council submission:

Utilities reform

“Tasmania should aim to be a low cost provider of services in order to be competitive and address the cost of living.”⁸¹

Local government reform

“If Tasmania is serious about kick-starting the economy, reducing the cost of living, and improving conditions for business, it must act urgently to reform the local government sector.”⁸²

International students

- 7.4 The importance of interstate and international students to the State was also raised by the **University of Tasmania**. The financial benefits are evidenced by an interstate student contributing \$30,000, and an overseas student \$40,000 per year to the Tasmanian Economy, as well as the flow-on effect to tourism from family visits.⁸³

Business development

The University of Tasmania submission stated - *“In 2013 Australia ranked poorly on OECD report card - innovation ranked second last of 17 countries and for engagement between research organisations and industry ranked equal last of 30 countries. UTAS contends that the State could address this trend from at least two perspectives:*

- *encourage and facilitate entrepreneurialism; and*
- *incentivise businesses and the University to collaborate more frequently and on a longer term basis to improve our businesses’ technical competitiveness.”⁸⁴*

⁸⁰ Hansen, *op. Cit.*, p.23

⁸¹ Property Council of Tasmania, *op. Cit.*, p.6

⁸² Ibid, p.10.

⁸³ Clerk, UTas, Hansard transcript of evidence 20 May 2015, p.1

⁸⁴ UTas submission, p.11

Health

7.5 The health of the community is a key driver of economic performance: **The University of Tasmania** discussed its role in this area:

“The contribution of the Faculty of Health (FoH) to the economic productivity of Tasmania is multifaceted:

- *The Tasmanian Health System (THS) and FoH share a mission to improve the health of all Tasmanians, therefore, have a mutual role in growing Tasmania’s economy; and*
- *In conjunction with its partners, particularly the Department of Health and Human Services (DHHS) and THS, the FoH is committed to transforming healthcare in Tasmania through workforce education and translational health and medical research.”⁸⁵*

7.6 Addressing social capacity constraints is also critical to maintaining a society’s health and was discussed in the **Unions Tasmania submission**.

“A holistic approach to tackling issues of alcohol and drug addiction and family violence, including domestic violence and violence against women and children, must be adopted for the betterment of our community and to improve our productive capacity.”⁸⁶

⁸⁵ *Ibid*, p.13

⁸⁶ Unions Tasmania submission, p.8

8 COMMITTEE COMMENT

- 8.1 A number of themes became clear in the submissions, and during the hearings, and these have been documented in this report.
- 8.2 The enthusiasm and dedication the witnesses demonstrated to strengthening the State of Tasmania was apparent during the course of this Inquiry. The Committee appreciates the opinions and views of the motivated individuals and organisations who were interested to provide submissions and/or attend hearings on the issue of growing Tasmania's economy.
- 8.3 To grow Tasmania's economy the focus of the Government and the community should include the critical factors which have been summarised in this report.
- 8.4 The Committee may not necessarily agree with all of the views expressed by witnesses, however they do provide a sound basis for moving forward.

APPENDIX 1 – SUBMISSIONS AND OTHER DOCUMENTS RECEIVED

No.	Name	Organisation
1	Greg Bott	Rabobank
2	Robert Vellacott	Devonport and Surrounds Tourism Association Inc.
3	Ian Locke	Central Coast Chamber of Commerce and Industry
4	Anthony Houston	Houston Farms
5	Keith Rice	TFGA Industrial Association
6	Maree Tetlow	Launceston Chamber of Commerce
7	David Clerk	University of Tasmania
8	Max Giblin	Max Giblin/Port Sorell Golf Club & Latrobe Council
9	Kim Booth	The Tasmanian Greens
10	Brett Smith	Cradle Coast Authority
11	Adam Clarke	Unions Tasmania
12	Ray Leonard	Australia Computer Society
13	Sheralee Davis	Wine Tasmania
14	Michael Bailey	Tasmanian Chamber of Commerce and Industry
15	Jannette Armstrong	United Voice - Tasmania
16	Rohan Wade	Tasmanian Hospitality Association
17	Phil Pyke	Fruit Growers Tasmania
18	Howard Hansen	Hansen Orchards
19	Brian Wightman	Property Council of Australia
20	Elizabeth Skirving	Rural Business Tasmania
21	Mark Smith	DairyTas
22	Michael Turner	Envorinex (Poly Marketing Pty Ltd)
23	Katrina Mundy	Mundy & Sons Pty Ltd
24	Paul Griffin	Shop Distributive & Allied Employees Association
25	Melinda King	Tasmanian Farmers and Graziers Association
26	Geoff Fader	Tasmanian Small Business Council
27	Will Hodgman MP, Premier	Tasmanian Government
28	Luke Martin	Tourism Industry Council Tasmania
29	Alison Archer	Tasmanian Turf Club
30	Ian Locke	Private submission
31	Mark Hunt	National Centre for Forest Industries
32	Tom Fisk	Private Forests Tasmania

APPENDIX 2 – WITNESSES

Organisation	Name
Devonport and Surrounds Tourism Association Inc.	Robert Vellacott
Primary Employers, TFGA Industrial Association	Mrs Debbie Grice
Tasmanian Hospitality Association	Mr Keeton Miles, President
	Mr Gerald Archer, Vice President
	Mr Keith Rice, Chief Executive
	Mr Steve Old, General Manager
	Mr John Collier, HR & IR Manager
	Mr Rod Ascui, Stillwater Café
	Ms Kim Seagram, Stillwater Café
Launceston Chamber of Commerce	Ms Maree Tetlow, Executive Officer
	Ms Janine Healey, President
Rural Business Tasmania	Ms Elizabeth Skirving, Chief Executive Officer
Shop Distributive and Allied Employees Association	Mr Paul Griffin, General Secretary
Tasmanian Farmers and Graziers Association	Ms Melinda King, Policy Adviser
Tasmanian Turf Club	Ms Alison Archer
	Mr Bruno Calabro
Tasmanian Chamber of Commerce and Industry	Mr Michael Bailey, Chief Executive Officer
Central Coast Chamber of Commerce and Industry	Mr Ian Locke, President
Burnie Chamber of Commerce and Industry	Mr Ian Jones, Vice President
DairyTas	Mr Mark Smith, Executive Officer
	Ms Cheryl McCartie, Chairman
Port Sorell Golf Club/Latrobe Council	Mr Max Giblin
	Mr Stuart Richey, Past President, Port Sorell Golf Club
University of Tasmania	Mr David Clerk, Chief Operating Officer
	Mr Craig Barling, Chief Financial Officer
	Professor Sue Dodds
Wine Tasmania	Ms Sheralee Davis, Chief Executive Officer
	Mr Graeme Bernard Lynch, Chair
Hansen Orchards	Mr Howard Hansen
Unions Tasmania	Mr Adam Clarke
	Mr Steve Walsh
Fruit Growers Tasmania	Mr Philip John Pyke, Business Development Manager
Property Council of Australia	Mr Brian Wightman, Executive Director
	Mr Sam Hogg, President
	Mr Tim Johnstone, Immediate Past President
Mundy and Sons Pty Ltd	Ms Katrina Mundy, Director
	Mr Gary Russell, Consultant and Business Coach
	Ms Rebecca Drake
National Centre for Future Forest Industries	Mr Mark Andrew Hunt, Director
United Voice - Tasmania	Ms Janette Armstrong
Tourism Industry Council of Tasmania	Mr Luke Martin, Chief Executive Officer
Australian Computer Society	Mr Ray Leonard
Houston Farms	Mr Anthony Houston, Chairman

APPENDIX 3 – MINUTES

LEGISLATIVE COUNCIL SELECT COMMITTEE

GROWING TASMANIA'S ECONOMY

MINUTES OF MEETINGS

26 MARCH 2013

The Committee met in Committee Room 1, Parliament House Hobart at 9.48am.

Members Present

Mrs Armitage

Mr Dean

Mr Farrell

Mr Hall

Ms Rattray

Mrs Taylor

In Attendance

Mr Wright (Secretary)

Ms Woods (Assistant Secretary)

Ms Mann (Executive Assistant)

Order of Parliament

The Committee **Resolved** that the Order of the Legislative Council appointing the Committee dated 25 March 2015 having been previously circulated, should be taken as being read.

Election of the Chair

The Secretary called for nominations for the Chair. Mr *Hall* being the only nominee, the Secretary declared Mr *Hall* to be duly elected Chair. The Secretary yielded the Chair and Mr *Hall* took the Chair.

[Mrs *Taylor* took her seat at 10.20am]

Election of Deputy Chair

The Chair called for nominations for Deputy Chair.

Mr *Farrell* nominated Ms *Rattray*.

Mr *Dean* nominated Mrs *Taylor*.

The Chair called for Ballot papers to be distributed.

The vote was as follows:

Ms *Rattray* 3 votes

Mrs *Taylor* 3 votes

By convention where there is a tied vote, the vacant position is declared by order of seniority. Therefore Ms *Rattray* was declared Deputy Chair.

Advertisement

The Committee **Resolved** to insert advertisements in the early general news or public notice pages of the three daily Tasmanian newspapers on Wednesday 1 April 2015 and that receipt of written submissions be conditioned for closure by close of business on Friday 1 May 2015.

The Committee further **Resolved** that the Secretary send a letter of invitation to make a submission to the following organisations –

THA
TCCI
TFGA
Launceston Chamber of Commerce
Small Business Council
Hobart Business Hearth
Promotions of Central Coast
Central Coast Chamber of Commerce and Industry
SDA
Unions Tas
Tourism Council
McCain
Minerals Council of Tasmania
FIAT
UTAS
WA Government
SA Government

Media Release

The Committee **Resolved** that the Secretary prepare a media release for approval by the Chair, following which the media release to be emailed to all media and all members.

Future Program

To be discussed at a later time

Next Meeting

To be advised

Adjournment

The Committee adjourned at 10.20am

6 MAY 2015

The Committee met via telephone conference at 9.33am.

Members Present

Mrs Armitage
Mr Hall
Ms Rattray
Mrs Taylor

In Attendance

Ms Woods (Secretary)
Ms Mann (Executive Assistant)

Confirmation of Minutes

The Minutes of the Meeting held on 26 March 2015 were confirmed as a true and accurate record. **(TR/AT)**

Correspondence

The following correspondence was received and endorsed **(AT/RA)**:

Incoming:

Submissions received:

- *Greg Bott, Rabobank (1)*
- *Robert Vellacott, Devonport and Surrounds Tourism Association (2)*
- *Anthony Houston, Houston Farms (3)*
- *Ian Locke, CCCI (4)*
- *Keith Rice, TFGA Industrial Association (5)*
- *Maree Tetlow, Launceston Chamber of Commerce (6)*
- *David Clerk, University of Tasmania (7)*
- *Max Giblin, Port Sorrell Golf Club & Latrobe Council (8)*
- *Kim Booth (9)*
- *Brett Smith, Cradle Coast Authority (10)*
- *Adam Clarke, Unions Tasmania (11)*
- *Ray Leonard, Australia Computer Society (12)*
*The Committee **Resolved** that the Secretary contact Mr Leonard to establish whether he wishes to present verbal evidence*
- *Sheralee Davis, Wine Tasmania (13)*
- *Michael Bailey, TCCI (14)*
- *Jannette Armstrong, United Voice - Tasmania (15)*
- *Rohan Wade, Tasmanian Hospitality Association (16)*
- *Phil Pyke, Fruit Growers Tasmania (17)*
- *Howard Hansen, Hansen Orchards (18)*
- *Brian Wightman, Property Council of Australia (19)*
- *Elizabeth Skirving, Rural Business Tasmania (20)*
- *Mark Smith, Dairy Tasmania (21)*
- *Michael Turner, Enviroinex (22)*
*The Committee **Resolved** that the Secretary contact Mr Turner to establish whether he wishes to present verbal evidence*
- *Katrina Mundy, Mundy & Sons (23)*
- *Paul Griffith, SDA (TAS) (24)*
- *Melinda King, TFGA (25)*
- *Geoff Fader, Tasmanian Small Business Council (26)*
- *Tasmanian Government (27)*
- *Luke Martin, Tourism Council (28)*

Outgoing:

Letters dated 27 March 2015 inviting written submissions and/or the opportunity to present verbal evidence were sent to –

- *Tasmanian Hospitality Association*
- *Tasmanian Chamber of Commerce and Industry*
- *Tasmanian Farmers and Graziers Association*
- *Tasmanian Small Business Council*
- *City Heart Business Association Ltd*
- *Cradle Coast Authority*
- *Tasmanian Unions*
- *Shop Distributive Allied Employees Association of Tasmania*
- *Tourism Industry Council of Tasmania*

- *McCain Foods Ltd - AUSTRALIA*
- *The Tasmanian Minerals and Energy Council*
- *UTAS*
- *FIAT*
- *Hon John RauMP, SA Minister for Industrial Relations*
- *Hon Peter Gutwein MP, Treasurer*
- *Hon Michael Mischin, WA Minister for Commerce*

Letters dated 10 April 2015 inviting written submissions and/or the opportunity to present verbal evidence were sent to –

- *Roberts Ltd*
- *Houston Farms*
- *Rabobank*
- *Hansen Orchards*
- *Launceston Chamber of Commerce*
- *Central Coast Chamber of Commerce*
- *Wines Tasmania*
- *DairyTas*

Tabled Documents

The Committee noted the tabling of the following documents:

- Media releases dated 27 March and 27 April 2015
- Advertisement

Other Business:

The Committee **Resolved -**

- To hold public hearings on the following dates and that each appointment be of 30 minutes duration:
 - Monday 18th and Tuesday 19th May in Launceston; and
 - Wednesday 20th and Thursday 21st in Hobart;
- That the Secretary be granted the authority to accept out of time submissions on behalf of the Committee at her discretion; and
- To publish submissions and transcripts to the Inquiry website.(TR/RA)

The Committee reviewed and discussed all submissions and requested that the Secretary and Chair coordinate a Draft Hearing Schedule for both Launceston and Hobart to distribute to Members for approval prior to sending out formal invitations to individuals/organisations to present verbal evidence.

Mrs Taylor noted that any forestry related industries had not been approached and requested that this industry/associated industries be considered to be invited to present evidence.

Mrs Taylor and Ms Rattray were asked to prepare a list of further potential witnesses and to forward that list to the Secretary for consideration and further consultation with Committee members.

Mrs Taylor expressed her disappointment that due to an overseas Parliamentary conference she was unable to participate in the public hearings being held from 18-21 May 2015.

Future Program

Dates for further public hearings will be discussed at a later meeting.

Next Meeting

The Committee to meet in Launceston at the Launceston City Council Chambers Reception Room on 18 May 2015 from 9am.

Adjournment

The Committee adjourned at 10.13am

18 MAY 2015

The Committee met at 8.47am in the Launceston City Council Chamber Reception Room, St John Street, Launceston.

Members Present

Mrs Armitage

Mr Farrell

Mr Hall

Ms Rattray

Mr Dean (from 10.01am)

Apologies

Mrs Taylor

In Attendance

Ms Woods (Secretary)

Ms Mann (Executive Assistant)

Confirmation of Minutes

The Minutes of the Meeting held on 6 May 2015 were confirmed as a true and accurate record.
(TR/CF)

Correspondence:

The Committee **Resolved** to endorse the following outgoing and incoming correspondence:

Outgoing

Letters of invitation to attend a public hearing to the following -

Fruit Growers Tasmania

Tourism Industry Council Tasmania

Houston Farms

Tasmanian Small Business Council

David Clerk, UTAS

Hansen Orchards

United Voice – Tasmania

Mundy and Sons

Wines Tasmania

Unions Tasmania

Property Council of Australia

TCCI

Australian Computer Society

Port Sorell Golf Club

Rabobank

Devonport and Surrounds Tourism Association Inc

Rural Business Tasmania

Dairy Tas

SDA Tasmania
TFGA
Central Coast Chamber of Commerce
Tasmanian Greens
Primary Employers Tasmania
Launceston Chamber of Commerce
Cradle Coast Authority
Envorinex
Tasmanian Hospitality Association

Incoming

Ian Locke –

- Joint submission from Chambers of Commerce for Central Coast, Burnie and Devonport
 - Private Submission
- Elizabeth Skirving – Rural Business Tas with attachment to submission – the ABARES Report
Email request by Alison Archer of the Tasmanian Turf club for attendance at hearing

Tabled Documents

The following document was Tabled:

- Media Advisory dated 15 May 2015

Future Witnesses

The Secretary advised the Committee of future witnesses –
Dr Mark Hunt, Director National Centre for Future Forest Industries
Bryan Hayes, CEO Forico
Tom Fisk, CEO Private Forests Tasmania

[Mrs Armitage took her seat at 8.51am]

Public Hearing

At 9.01am Mr Robert Vellacott and Mrs Debbie Grice from the Devonport and Surrounds Tourism Association Inc. were called, made the Statutory Declaration and were examined.

Question on Notice

Request information provided to DSTA by Kostas at Wednesday meeting about the growing/picking season.

TABLED DOCUMENT

- *Interstate and International Visitors to Tasmania -*
 - *Year Ending December 14 2014 compared with Year Ending December 2010*
 - *Year Ending December 2014 compared with Year Ending December 2011*

The witnesses withdrew at 9.37

The Committee suspended at 9.37am

The Committee resumed at 9.44am

At 9.44am Mr Keeton Miles, President, Mr Gerald Archer, Vice President and Mr Keith Rice, Chief Executive, Primary Employers, TFGA Industrial Association were called, made the Statutory Declaration and were examined.

TABLED DOCUMENT

- *Primary Employers Tasmania - Public Holidays in Tasmania 2015*

[Mr Dean took his seat at 10.01am]

The witnesses withdrew at 10.35

The Committee suspended at 10.35am

The Committee resumed at 10.45am

At 10.45am Mr Steve Old, Tasmanian Hospitality Association, Ms Kim Seagram, Mr John Collier, IR and MR Manager, and Mr Rod Ascui, Stillwater Café were called, made the Statutory Declaration and were examined.

TABLED DOCUMENT

- *Brochure – Industrial Relations*

The witnesses withdrew at 11.37am

At 11.38am Ms Janine Healey, President and Ms Maree Tetlow, Executive Officer, Launceston Chamber of Commerce were called, made the Statutory Declaration and were examined.

The witnesses withdrew at 12.08pm

The Committee suspended at 12.09pm

The Committee resumed at 1.33pm

At 1.33pm Ms Elizabeth Skirving, Chief Executive Officer, Rural Business Tasmania was called, made the Statutory Declaration and was examined.

[Mr Dean took his seat at 1.37pm]

Question on Notice

What will be the impact of the Federal Government proposed change to overseas workers rate of tax to 32.5% - will it dissuade them from working here?

The witness withdrew at 2.14pm

The Committee suspended at 2.15pm

The Committee resumed at 2.48pm

At 2.48pm Mr Paul Griffin, General Secretary, Shop Distributive and Allied Employees Association was called, made the Statutory Declaration and was examined.

[Mrs Armitage left her seat at 4.03pm]

The witness withdrew at 4.05pm

[Mrs Armitage resumed her seat at 4.06pm]

At 4.06pm Ms Melinda King, Policy Adviser, Tasmanian Farmers and Graziers Association was called, made the Statutory Declaration and was examined.

[Mr Hall left his seat at 4.19pm]

[Ms Rattray took the Chair]

[Mr Hall resumed his seat and the Chair at 4.20pm]

[Mrs Armitage left her seat at 4.22pm]
[Mrs Armitage resumed her seat at 4.25pm]

Additional Information

Ms King agreed to provide information of outcomes following the TFGA Biennial Policy Forum – ‘Think Outside the Square’ - being held 2-3 July 2015

The witness withdrew at 4.41pm

At 4.42pm Mr Bruno Calabro and Ms Alison Archer, Tasmanian Turf Club were called, made the Statutory Declaration and were examined.

The witness withdrew at 4.57pm

The Committee suspended at 4.59pm until 8.45am on Tuesday 19th May 2015 in the Launceston City Council Chamber Reception Room.

TUESDAY 19 MAY 2015

The Committee reconvened at 9.01am in the Launceston City Council Chambers Reception Room, St John Street, Launceston.

Members Present

Mrs Armitage
Mr Farrell
Mr Hall
Ms Rattray

Apologies

Mrs Taylor
Mr Dean

In Attendance

Ms Woods (*Secretary*)
Ms Mann (*Executive Assistant*)

PUBLIC HEARING

At 9.10am Mr Greg Bott, State Manager, Rabobank was called, made the Statutory Declaration and was examined.

[Mr Farrell took his seat at 9.11am]

TABLED DOCUMENT

- Agriculture in Focus Report – *Tasmanian Food and Agriculture – Ready, Set, Grow*
- Book - only 4 copies

The witness withdrew at 9.50am

At 9.52am Mr Michael Bailey, Chief Executive Officer, Tasmanian Chamber of Commerce and Industry was called, made the Statutory Declaration and was examined.

The witness withdrew at 10.27am.

The Committee suspended at 10.27am
The Committee resumed at 10.40am

At 10.40am Mr Ian Locke, President, Central Coast Chamber of Commerce and Industry and Mr Ian Jones, Vice President, Burnie Chamber of Commerce and Industry were called, made the Statutory Declaration and were examined.

[Mrs *Armitage* took her seat at 10.41am]

The witnesses withdrew at 11.26am

At 11.2am Mr Mark Smith, Executive Officer and Ms Cheryl McCartie, DairyTas were called, made the Statutory Declaration and were examined.

Tabled Document

- Amended submission – correcting a slight error in the original submission

The witnesses withdrew at 11.58am

The Committee suspended at 11.58am
The Committee resumed at 12.01pm

At 12.02pm Mr Max Giblin in association with Port Sorell Golf Club & Latrobe Council, and Mr Stuart Richey, Past President, Port Sorell Golf Club were called, made the Statutory Declaration and were examined.

The witnesses withdrew at 12.24pm

The Committee suspended at 12.26pm until 9.30am on Wednesday 20 May 2015 in Committee Room 1, Parliament House, Hobart.

WEDNESDAY 20 MAY 2015

The Committee reconvened at 9.32am in Committee Room 1, Parliament House, Hobart.

Members Present

Mrs *Armitage* (via conference phone)
Mr *Farrell*
Mr *Hall*
Ms *Rattray*

Apologies

Mrs *Taylor*
Mr *Dean*

In Attendance

Ms *Woods* (Secretary)
Ms *Mann* (Executive Assistant)

The Committee discussed witnesses appearing at today's public hearing.

[Mr *Farrell* took his seat at 9.34am]

The Committee suspended at 9.35am

The Committee resumed at 9.48am

PUBLIC HEARING

At 9:48am Mr David Clerk, Chief Operating Officer, Mr Craig Barling, Chief Financial Officer and Professor Sue Dodds, University of Tasmania were called, made the Statutory Declaration and were examined.

Question on Notice

What part, if any, does Brand Tasmania play in the Community Partnerships and Regional development initiatives of the university?

The witnesses withdrew at 10.16am

The Committee suspended at 10.17am

The Committee resumed at 11.24am

At 11:24am Ms Sheralee Davis, Chief Executive Officer and Mr Graeme Lynch, Chair, Wine Tasmania were called, made the Statutory Declaration and were examined.

The witnesses withdrew at 11.58am

At 11.59am Mr Howard Hansen, Hansen Orchards was called, made the Statutory Declaration and was examined.

The witnesses withdrew at 12.33pm

The Committee suspended at 12.35pm

The Committee resumed at 1.32pm

At 1:32pm Mr Adam Clarke and Mr Steve Walsh, Secretary, Unions Tasmania were called, made the Statutory Declaration and were examined.

The witnesses withdrew at 2.15

At 2:16pm Mr Phil Pyke, Business Development Manager, Fruit Growers Tasmania was called, made the Statutory Declaration and was examined.

The witness withdrew at 2.49pm

At 2:50pm Mr Brian Wightman, Executive Director, Mr Sam Hogg, President and Mr Tim Johnstone, Immediate Past President, Property Council of Australia were called, made the Statutory Declaration and were examined.

The witnesses withdrew at 3.28pm

The Committee suspended at 3.28pm

The Committee resumed at 3.45pm

[Ms Armitage left the meeting at 3.28pm]

At 3:45pm Ms Katrina Mundy, Director/Business Manager, Mundy and Sons, Mr Graham Russell, Consultant and Business Coach and Ms Rebecca Drake, Administrator, Admin Easy were called, made the Statutory Declaration and were examined.

The witness withdrew at 4.14pm

At 4.26pm Mr Mark Hunt, Director, National Centre for Future Forest Industries was called, made the Statutory Declaration and was examined.

The witness withdrew at 5.08pm

At 5.13pm Ms Janette Armstrong, United Voice – Tasmania was called, made the Statutory Declaration and was examined.

The witness withdrew at 5.44pm

Other Business

Failure of Hansard Electronic Equipment

The Committee discussed the failure of Hansard equipment at the Launceston hearings on Tuesday 19 May 2015 and subsequent lack of recorded evidence from Mr Greg Bott, Rabobank.

The Committee **Resolved** not to recall Mr Bott but the Secretary was tasked with compiling a written record from notes taken by herself and Ms *Rattray* during this meeting.

The Committee suspended at 5.40pm until 8.45am on Thursday 21 May 2015 in Committee Room 1, Parliament House, Hobart.

THURSDAY 21 MAY 2015

The Committee reconvened at 8.50am in Committee Room 1, Parliament House, Hobart.

Members Present

Mrs *Armitage* (via conference phone)

Mr *Hall*

Ms *Rattray*

Apologies

Mr *Dean*

Mr *Farrell*

Mrs *Taylor*

In Attendance

Ms *Woods* (Secretary)

Ms *Mann* (Executive Assistant)

The Committee discussed witnesses appearing at today's public hearing.

The Committee suspended at 8.52am

The Committee reconvened at 8.55am

At 8.55am Mr Luke Martin, Chief Executive Officer, Tourism Industry Council of Tasmania was called, made the Statutory Declaration and was examined.

The witness withdrew at 9.42am

At 9.43am Mr Ray Leonard, Manager, Australian Computer Society was called, made the Statutory Declaration and was examined.

The witness withdrew at 10.15am

The Committee suspended at 10.15am

The Committee resumed at 10.47am

At 10.47am Mr Anthony Houston, Chair, Houston Farms was called, made the Statutory Declaration and was examined.

TABLED DOCUMENT

- *Verbal presentation notes*
- Market Tasmania 2015

The witness withdrew at 11.40am

Other Business

Publication of submissions and transcripts

The Committee **resolved** that submissions and transcripts would not be published until they had all been received and the Report was tabled.

Future Program

Dates for a future meeting to be advised.

Current work

The Secretary was tasked with:

- preparing a document summarising Key Observations to be included in a future report and advised the Committee is keen to see direct quotes from the hearings; and
- seeking advice from the Productivity Commission about timeframes for submission of the Report to the PC Inquiry.

Next Meeting

To be advised

Adjournment

The Committee adjourned at 11.48am

MONDAY 25 MAY 2015

The Committee met via telephone conference at 9.30am.

Members Present

Mr Dean

Mr Hall

Mr Farrell

Ms Rattray

In Attendance

Ms Woods (Secretary)

Ms Mann (Executive Assistant)

Apologies

Ms Armitage
Ms Taylor

Confirmation of Minutes

The Minutes of the meetings held 18, 19, 20 and 21 May 2015 were confirmed as a true and accurate record.

Other Business:

The Committee **Resolved** to publish submissions and transcripts to the Inquiry website.

Next Meeting

To be advised.

Adjournment

The Committee adjourned at 9.45