TASMANIAN BUSSINESS

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Budget special

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Wines for the future - Page 8

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BUDGET 2020

Infrastructure spend leads

ASMANIA is poised to be plunged back into debt and deficit for the foreseeable future as the State Liberal Government works to rebuild the economy after the unprecedented shock caused by the COVID-19 pandemic.

The State Government has launched a massive infrastructure spend across all sectors of the economy but it will send Tasmania back into billions of dollars of debt with no clear pathway out of the red.

This year the budget deficit will be \$1.1 billion with net debt at more than \$1.8 billion. The Government optimistically predicts its path to surplus will take only three years, with the deficit reducing to \$281 million in 2020-2021 and returning a modest \$13.9 million surplus the following year.

In 2023-2024 it is expected to increase slightly to \$17 million.

However, the State's net debt levels will continue to soar, topping \$4.4 billion in the four-year forward estimates.

Premier and Treasurer Peter Gutwein insists his \$7.5 billion dollar Budget and the debt it creates, is needed to keep the economy strong.

"Unprecedented times call for unprecedented measures," Mr Gutwein said.

"This debt will be manageable, with interest rates remaining at record lows.

"We are spending this on intergenerational investment. This is the time to use debt to our advantage."

Mr Gutwein was also keen to highlight that it would be the lowest level of net debt carried by any jurisdiction in the country.

"To service that debt it works out to be less than one per cent of overall revenue going forward," he said.

Revenue has taken a hit at the hands of the pandemic, with GST receipts cut by \$347 million this year alone. But the Premier is confident this will recover and hasn't taken steps

towards reforms or increasing the State's revenue hase

"Now is not the time to broaden the tax base and ask people who pay very little state taxes to pay more," the Premier said.

At the height of the pandemic 19,100 Tasmanians lost their job, figures show around

two-thirds of them have since returned to work. Employment is predicted to decline by almost two per cent this financial year and by one per cent in following years. It will see the unemployment rate rise to 8.5 per cent compared to the 2019-2020 estimate of 5.9 per cent.

Treasury predicts modest jobs growth of just under 4500 between June next year and June 2022 underpinned by billions of dollars in infrastructure projects ranging from bridges and roads, school upgrades, health improvements, irrigation projects and a tourism recovery.

The Premier is also banking on avoiding a second wave of the pandemic.

The Budget's \$5 billion infrastructure investment includes \$2.4 billion for roads and bridges, almost a billion of which will be spent in the next two years on projects such as the Sorell and Midway Point causeways, the new Bridgewater Bridge and upgrades to the Midland, West Tamar and Bass Highway.

The budget invests \$391.2 million in hospital and health infrastructure and a further \$10 million for regional health and ambulance facilities.

Education infrastructure is set for \$218.1 million worth of improvements with new schools already planned for Brighton and Sorell and

there is more than \$300 million for social and affordable housing projects.

COVID-19 funding of \$145 million.

It includes \$50 million to support business and the economy, help women back into work, support the arts, improve the environment and invest in public housing infrastructure portunity. upgrades.



Virus uncovers a

REBECCA WHITE, Labor Leader

THE global pandemic exposed structural weaknesses in the Tasmanian L community and our economy.

The opportunity for the State Government The Government has also created a specific this year was to deliver a Budget that gave hope to all Tasmanians, and that responded strongly to the economic and social pain wrought by COVID-19.

Sadly, Peter Gutwein did not seize this op-

The 2020 Budget could have been a car-

bon copy of the 2019 version, with few new initiatives announced that reflect the new environment we're in.

Peter Gutwein has promised to build a way out of COVID. But the inability of this Government to deliver major infrastructure projects is well documented.

The Government's lack of imagination and vision is highlighted by the shopping list of infrastructure projects heralded in the Budget. They are, in the main, re-announcements of projects that have failed to launch.



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BUDGET 2020

our recovery



weak economy

The Budget documents forecast an unemployment rate set to hit 8.5 per cent in 2021, with government debt ballooning to more than \$4 billion by 2024.

Labor has a vision for Tasmania that will create good jobs and rebuild our economy.

We have a plan to rebuild the small business sector, and other sectors hard hit by COVID including tourism, hospitality and the arts. We will restore dignity and hope to Tasmanians struggling to keep a roof over their head by investing in social housing.

And Labor will rebuild the TAFE system which has been progressively dismantled and undermined by the Liberal Government

Labor has a plan to give Tasmanians the skills they need to get the jobs of the future, and join the workplaces of today where employers are crying out for staff.

The Budget says a lot about the priorities of a government. My commitment is that Labor's plan for our state will build a better and fairer Tasmania.

PETER GUTWEIN **PREMIER and TREASURER**

HE challenge we face as we recover and rebuild from the COVID-19 pandemic has two elements, it is both a health crisis and an economic one as well. In the face of the most deadly global pandemic the world has seen in a century, our response must be proportionate and it must be strategic.

Long-term plan

We entered the pandemic from a position of strength and used our balance sheet as an economic stabiliser, delivering the largest economic and social support package in the nation as a proportion of our economy, at over \$1 billion.

In this Budget we will continue to leverage our strong balance sheet to stimulate our economy, support our community, attract investment and support jobs through targeted initiatives and record infrastructure investment.

Over the next four years, this Budget provides for nearly \$5 billion of infrastructure investment to support about 25,000 jobs and increase aggregate demand right across our economy

We will build the intergenerational infrastructure communities need, we're backing Tasmanian business, supporting their recovery and growth, and making it easier for them to employ.

Our substantial infrastructure spend, combined with our strong balance sheet means that we can go further to invest in essential services Tasmanians need - into health, education and housing.

We believe that every Tasmanian child deserves the right to a first-class education, and we are increasing our record investment into Tasmanian education at \$7.5 billion over

four years, delivering new and upgraded schools, more teachers, and support to give our kids better opportunities for the future.

This Budget sets ICT infrastructure right with \$135.4 million to support better government services

To ensure our businesses are incentivised to hire apprentices and trainees, we will extend our successful Payroll Tax Rebate Scheme and Small Business Grants schemes and broaden these schemes to all industries.

Together with Commonwealth initiatives, we expect these to support an additional 4000 new full-time jobs for apprentices, trainees and youth employees.

We will continue to safeguard our primary industries, our trade sector, and position Tasmania for exponential growth as a global renewable energy powerhouse, generating billions in investment and thousands of jobs.

To support businesses looking to reduce their emissions, the Budget includes a \$10 million no-interest loan scheme for large Tasmanian greenhouse gas emitting businesses and industries to trial existing clean technologies or test new innovative production processes that will reduce emissions.

Over \$30 million will be invested in waste and resource recovery initiatives across Tasmania.

The Budget also includes \$10 million to co-invest with the existing waste management sector in Tasmania to build the infrastructure needed to collect and sort recyclable waste.

Ensuring that our farmers continue to have reliable access to water to keep growing, \$168.7 million has been included for Tranches 2 and 3 Irrigation Projects, including \$15 million to prioritise the Don Scheme over the next two years.

We are investing in our emergency services to keep Tasmanians safe.



TASMANIAN BUDGET 2020-21

JOBS • CONFIDENCE • COMMUNITY REBUILDING A STRONGER TASMANIA

BACKING TASMANIA BUSINESSES

- To bring forward community and commercial shovel ready projects
- Faster release of land titles to market
- Incentives extended through payroll tax rebates to hire trainees and apprentices, across all industries



"Over the next four years this Budget provides for nearly \$5 billion of infrastructure investment to support around 25,000 jobs and increase aggregate demand right across our economy.

We will build the intergenerational infrastructure communities need, we're backing Tasmanian business, supporting their recovery and growth, and making it easier for them to employ."

- Premier and Treasurer Peter Gutwein



To find out what the 2020-21 Budget means for you, visit **www.premier.tas.gov.au/budget_2020**

BUDGET 2020

Budget briefs | Dealing with COVID-19

Payroll tax rebates

PAYROLL tax rebates for all youth employees are being extended for a further 18 months as part of \$22 million in budget spending to boost jobs for apprentices, trainees and youth employees.

The measures also include extending the current payroll tax rebate for apprentices and trainees for a further 12 months; and extending both rebates to all industry sectors.

The Government will also extend the Targeted Apprentice and Trainee Grant for Small Business to any small business who employs an apprentice or trainee until 30 June 2022.

The initiatives will provide for 4000 new apprentices and trainees.

TasRail timber transfer

THE State Budget includes an equity transfer of \$5 million from Sustainable Timber Tasmania to TasRail in order to further grow the state's forest industry, create more jobs and invest in regional communities.

This investment will increase TasRail's capacity to store logs safely, increase log transport capacity, improve log wagon loading productivity and increase unloading capacity and efficiency.

Minister for Infrastructure and Transport Michael Ferguson said TasRail will work with Tasmanian engineering and civil construction firms to get each of the elements underway as soon as possible.

Resources Minister Guy Barnett said the significant infrastructure industry support package will enable better movement of southern forest products to Bell Bay.

Border control boost

TRAVELLER assessment and border control access will be strengthened with \$6 million allocated in this year's State Budget.

The funding will also ensure the continued operation of the G2G PASS app and Tas e-Travel systems and allow Biosecurity Tasmania to maintain the state's strict biosecurity requirements and protect from weeds, pests and disease.

The \$6 million in the Budget is in addition to the \$2.6 million Securing our Borders initiative that continues to support frontline service staff, education and awareness programs, and improved biosecurity and emergency response capacity. THE COVID-19 funding provision includes \$10 million for a Building Projects Support Program to bring forward community or commercial shovel ready projects the Government hopes will stimulate the construction sector and support jobs.

The program will provide up to 25 per cent of the construction cost of projects worth more than \$2 million, up to a maximum of \$1 million.

Projects will need to have achieved planning approval where needed and be able to start construction within three months as well as demonstrate positive community benefits.

The Budget confirms \$20 million for the COVID-19 Small Business Sustainability and Recovery Assistance Package, designed to help small business recover, re-open, innovate, build capacity and resilience.

It includes grants already awarded to 1890 businesses as well as \$1 million to provide mental health support to small businesses and their employees.

Further funding of \$500,000 is provided for a Peak Body Support Fund to help industry bodies support their members.

Employment incentives recognise apprentices

APPRENTICES are among those expected to benefit from the State Government's budget spending.

With incentives for employers and projects to drive construction demand, the chief executive of the Tasmanian Building Group Apprenticeship Scheme David Fagan says the future looks bright.

"Certainly anything that State and Federal Governments can do to drive demand and support employers makes them more likely to take on apprentices," Mr Fagan said.

"A lot of the incentives give employers the confidence and help they need, it can be enough for them to move forward and invest in a young person."

Hobart-based building apprentice Daniel Lucas was recently recognised as the TasBGAS First Year Apprentice of the Year.

The awards recognise attitude, hard work, a strong work ethic and high performance on the job.

"Daniel is a good young man, he has worked hard and we were pleased to be



Daniel Lucas on the tools.

able to acknowledge him in this way," Mr Fagan said.

Apprentices employed through the TasBGAS are hosted by employers for the duration of their training. The completion rate is 90 per cent compared to an industry average of around 55 per cent.

Infrastructure funding

- \$553m for the first four years of the new Bridgewater Bridge • \$68.5m for the Derwent Entertainment
- \$68.5m for the Derwent Entertainment Centre and Indoor Multi Sports Facility
- \$160m for TasWater to accelerate its infrastructure pipeline
- \$8.4m for Freycinet Peninsula waste-
- water

\$280.6m for road maintenance across the state

- \$13.8m for Tasmanian Irrigation to deliver water infrastructure across the State
- \$100m for up to 1000 new Social Housing dwellings
 \$111.1m for the new Northern Regional
- \$111.1m for the new Northern Regional Prison
- \$79.9m for the new Southern Remand Centre

 \$218.4m towards replacement of TTline vessels.

... at a glance

Container refund support

MORE than \$30 million will be invested in waste and resource recovery initiatives. This includes \$4 million to implement the key commitments around the delivery of a Tasmanian Container Refund Scheme in 2022.

Return of tourists

SPENDING on tourism includes an extra \$4 million for the West Coast Wilderness Railway, \$68 million for the Cradle Mountain Experience and visitor experience and \$19.4 million for the development of another iconic walk in the Tyndall Ranges.

Fleet to go electric

THE Government is looking to transition its car fleet to electric vehicles by 2030. The ministerial fleet will also transition to include four hybrid vehicles over the next two years. The budget has set aside \$2.3 million towards buying more chargers for locations around the state.

Hydrogen future

TASMANIA'S path to become a renewable hydrogen epicentre has received a \$4 million kick start in the budget. The plan includes the formation of a Hydrogen Development Unit within state growth to support the establishment and growth of hydrogen in Tasmania.

Arts funding

THE arts community will receive an extra \$4 million to support artists and performers who have been unable to earn income due to cancelled events during the pandemic. Screen Tasmania will also receive funds.

Alternative training

A NEW \$1 million not-for-profit Registered Training Organisation will be established to introduce an alternative training model that meets the needs of industry.

Overseas links

THE Government hopes to leverage Tasmania's competitive strengths through an Interim Trade Action Plan with an additional \$2.65 million to help exporters and business. The funding will be used to recruit three new in-market representatives in Singapore, Japan and the US.

OPINION



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MY SAY

Michael Bailey, CEO

Business stands ready to support COVID recovery

HIS year's Budget was undoubtedly one of the toughest any Tasmanian Government has had to hand down.

The Government has done a fantastic job managing the public health crisis caused by COVID. Now the task ahead is to stay true to their word and do the same for Tasmania's business community and pave the way for not only recovery, but sustained

growth.

Prior to the Budget, the Tasmanian Chamber of Commerce and Industry launched a bold plan for an economic "Road to Recovery" in Tasmania.

The plan was developed in consultation with the broader business community and its key focus areas of supporting businesses to stay open, investing in people and investing in infrastructure still ring true.

When it comes to supporting businesses to stay open, our feedback is clear – government needs to reduce input costs, like power costs, they need to ease existing restrictions and they need to cut payroll tax.

We need to invest in people to ensure we have a welltrained, skilled workforce that can support business. We should be looking to make it easier to re-skill employees who want to work in a different industry or who have lost their job because of COVID. We should also be using this opportunity to create a skilled workforce to support the stimulus measures outlined in the budget.

Investing in infrastructure is also another major opportunity. The Government must ensure that there is

> a steady pipeline of residential, commercial and civil projects to keep our builders busy right around the state. We know that infrastructure projects, from minor maintenance to major construction is one of the best ways to support and stimulate the economy.

The business community stands ready to work with the Government to deliver on each of these areas. We need to work together to rebuild confidence in our business sector and to make

sure we keep up the positive economic momentum that had been building up prior to the COVID outbreak in Australia. It's not going to be easy, but if we work together,

Tasmania's many natural advantages position us well to bounce back.

Let's make it happen.

A skilled workforce supports business.







IN BRIEF

Holidays to stay

THE Tasmanian Government has decided not to make any significant changes to statewide or local public holidays this year despite the cancellation of events such as local agicultural shows.

Due to the disruption and uncertainty that COVID-19 has created, questions were raised about whether the cancellation of a show event should result in the cancellation of the associated show day public holiday.

Building and Construction Minister Elise Archer said any decision to change local public holidays would require sufficient time for proper consultation as well as time for community members to plan for the impact of a change in the date.

AmazeBalls innovation

TASMANIAN dairy producer Ashgrove's innovation has been recognised on the national stage, with their AmazeBalls popped cheese awarded for innovation against 1200 entrants.

AmazeBalls, which uses Australian first technology to "pop" cheese into a crisp, air dried snack, won the Most Innovative Product in Show at the 2020 Dairy Industry Association of Australia Product Competition.

"If you can't be the biggest kid on the block, you have to use what you have and try to be the smartest," Ashgrove marketing manager Anne Bennett said.



In recent weeks the distillery took delivery of two custom made copper pot stills, fabricated by Stillsmiths Tasmania in Westbury.

Oatlands makes offer to potential investors

THE historic midlands town of Oatlands is set for a tourism revival with a proposal for a boutique hotel and a new distillery already under way.

The Southern Midlands Council is looking to attract a proponent to establish a hotel with at least a four-star rating and 30 plus rooms in the historic village.

Southern Midlands Mayor Alex Green said the proposed hotel would fill a gap in the region's tourism infrastructure that had been acknowledged for many years. "The proposed hotel will open up Oatlands and the surrounding region to a whole new visitor accommodation market," Mr Green said. "It will complement, not compete with, the existing small scale B&Bs."

The council has launched a 'Request for Proposals' process.

The hotel proposal comes as the town prepares to open a \$25 million dollar whisky distillery, the Callington Mill.

,It is expected to generate around 40 local jobs during construction and attract tens of thousands of visitors to the area.

Launceston airport takes off

MORE than \$5m will be provided by the State Government towards the expansion of the Launceston Airport terminals.

The total cost is \$10.3 million, with the airport contributing the balance for improvements across the airport, including a larger and more contemporary arrivals experience, improved passenger security screening and a larger departures and check-in facility.

Infrastructure Minister Michael Ferguson said the Government's 2020-2021 Budget funding would also contribute to the development cost of a new air freight cargo facility at the airport to service increased air freight movement and to better support Tasmania's live seafood, agriculture and general freight movements to both domestic and international markets

New Port Arthur director

MELINDA Percival has been appointed to the Board of Directors of the Port Arthur Historic Management Authority.

Heritage Minister Elise Archer said Ms Percival brought with her a wealth of knowledge and experience across a number of relevant industries including, utilities, airports, tourism and government.

WorkSafe appoints head

ROBYN Pearce has been appointed the new Executive Director of WorkSafe Tasmania.

Ms Pearce was formerly WorkSafe's Director Industry Safety and has a background in strategy and people management.





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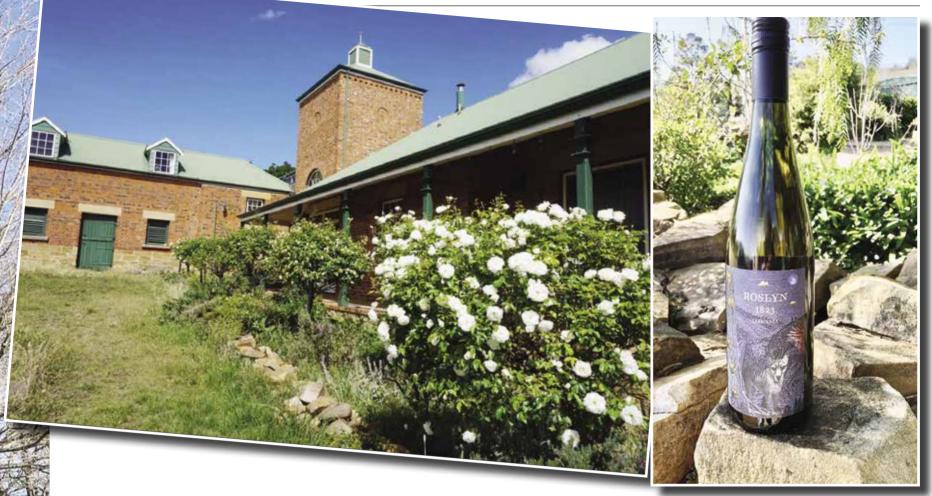


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Wines

<u>secure</u>

DOWN TO BUSINESS



ROGER HANSON

NESTLED in the Coal River Valley is Tasmania's only permaculture vineyard with one of the oldest cellar doors in Australia set against an historic homestead.

Permaculture, now a worldwide movement aimed at sustainable, environmentally friendly agriculture, was founded in Tasmania.

For Dr Andrew Palmer and his wife Esther the principles of permaculture are fundamental to their philosophy for producing wines that explode with full bodied flavour.

Their label Roslyn 1823 is named after their historic property on White Kangaroo Road, Campania. Flavours nurtured in the Roslyn 1823 vineyard are captured in each bottle of their pinot noir, riesling, chardonnay and pinot gris.

Dr Palmer, who is the vigneron, studied permaculture for more than 10 years and has a teaching degree.

He planned and set up the family-run vineyard in 2015 on the design principles and ethics of permaculture which is integrated into their 30-hectare farm.

Including the vineyard, they run sheep using rotational grazing techniques, ducks and chickens, grow lucerne and permanent pasture grass hay.

Permaculture is a design system based on the concept of "permanent agriculture", a term first used by J. Russel Smith in his book Tree Crops: a permanent agriculture published in 1929 and further developed at the University of Tasmania by David

Holmgren and Bill Mollison, who was from Stanley in the far North West, in the 1970s.

"We believe working in harmony with nature to promote biodiversity and regenerate our bountiful earth," Esther said.

"Permaculture aims to regenerate the earth rather than degrade it, as often happens in conventional agriculture.

"Our single vineyard, cool climate boutique wines are made exclusively from premium hand-picked grapes, expressing the unique terroir and history of the region."

The property was founded in 1823, the heritagelisted Roslyn Estate's emblem is inspired by sightings of Tasmanian Tigers on Roslyn during the time of the first indigenous contacts in the early 1800s.

In 2019 they harvested their first Roslyn 1823 vintage of chardonnay, riesling, pinot gris and pinot noir.

"Our winemaker Robbie Drew employs his 30 years' experience to ensure that the flavours nurtured in the Roslyn 1823 vineyard are captured in each bottle," Dr Palmer said.

Dr Palmer said their viticultural approach was guided by the three main ethics (earth care, people care and fair share) and 12 principles of permaculture (observe and interact; catch and store energy; obtain a yield; apply self-regulation and accept feedback; use and value renewable resources and services; produce no waste; design from patterns to details; integrate rather than segregate; use small and slow solutions; use and value diversity; use edges and value the marginal; creatively use and respond to change).

"We use organic compost and mulching, a range of biological fertilisers, chickens and ducks for pest control, and sheep and alpacas for weed control to complement our standard viticultural practices. Irrigation is kept to a minimum, ensuring true flavours the reflect the nature of our terroir.

"At harvest time, the grapes are hand-picked, selecting only the highest quality bunches go into producing our premium quality wines."

The Campania district of the Coal River Valley has a Mediterranean climate, made up of warm dry summers, cooler autumns, and cold, wet winters – ideal for the cool climate grape varieties that grow on the vineyard.

"The long cool ripening season leads to more acidic, less sweet and fruity wines typical of cool climate regions. Our vineyard lies in the rain shadow of the Wellington Ranges and the brooding mountains of the South West of the Tasmanian wilderness."

The farm has an average annual rainfall of 450mm, which is less than half of the rain that falls in Hobart.

"Some years we have had less than 250mm of rain, which would categorise us as a desert if this occurred over several years. This low rainfall, coupled with our predominantly light loam sand soils, means that we must make the most of any rain that falls on our property.

"Due to the unreliable rainfall in the area, made worse over the last two decades by global warming, we supplement our water harvesting with irrigation water from the Coal and Derwent rivers.

TASMANIAN BUDGET 2020-21

JOBS • CONFIDENCE • COMMUNITY REBUILDING A STRONGER TASMANIA

JOBS

A Tasmanian Jobs Plan to underpin 25,000 jobs.

INFRASTRUCTURE

A landmark \$5 billion infrastructure program to create jobs, grow our economy, boost confidence and strengthen communities in every region.

HEALTH

A record \$9.8 billion^{*} for hospitals and health services to build a better health system for all Tasmanians.

EDUCATION

A record \$7.5 billion^{*} for education and training so more Tasmanians can grasp the opportunities ahead.

HOUSING

A record investment of more than \$300 million^{*} into social and affordable housing projects to support more Tasmanians.

*over four years

To find out what the 2020-21 Budget means for you, visit **www.premier.tas.gov.au/budget_2020**



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Put a broker on your team

DEAN DEMEYER

NGAGING a business broker can be seen as an unnecessary expense for someone trying to sell their business and maximise the proceeds from that sale. Why over-complicate your to-do list by adding another thing to do? In reality, a business broker is so much more than an extra cost.

Studies show that engaging with a broker increases your chances of selling the business more quickly, at a higher asking price and to a better qualified buyer.

There are many reasons to hire a broker, but here is my list of what I consider to be the top five:

Focus and expertise

The experience and knowledge of a business broker are invaluable. More importantly, expert brokers only focus on selling businesses. They avoid the temptation to sell real estate to boost their cash flow, thereby getting distracted from



Dean Demeyer

selling your business. Selling businesses is what they do full-time. They can give your sale the time and dedication necessary to achieve higher prices in the quickest possible time. Allowing you to focus on what you do full-time – running a business successfully.

Professional negotiation skills

Unless vendors are experienced in negotiating complex transactions, they are best to leave it to a professional who won't "give" your business away. Buyers are very motivated to make low offers and almost always do. A broker can see through lowball offers and save you time that would otherwise be taken away from operating your business dealing with bargain hunters. **Business presentation**

Your business competes with all other businesses on the market at that time. Why would someone take a look at your business? But be aware, buying businesses is a Return on Investment decision not a beauty contest.

Understanding buyer psychology is a key attribute of a successful broker who knows how to advertise to attract buyers. Brokers have the experience to present your business to the right buyers so it stands out in the 'sea-of-sameness'.

Buyer databases

Experienced business brokers have a full network of potential buyers organised by industry and level of financial capacity.

This simplifies your selling process, as you will need less marketing to find interested buyers for your business.

This also encourages more offers which can be an advantage to drive bids higher. Brokers also have access to detailed market data of what businesses are in demand and which ones are out of favour.

Commitment to your success

Because a professional broker only sells businesses, they are vested in getting the vendor a result.

The broker gets paid when the vendor gets paid, and the higher the price the buyer gets the higher the reward for the broker.

An interesting industry statistic is that 50 per cent of signed contracts fail to complete in business sales. A professional broker will stay in the process right to settlement to ensure a successful outcome.

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DOWN TO BUSINESS

Shipping delays Santa's sleigh

NTERNATIONAL shipping delays are threatening to disrupt the usually busy peak Christmas period for retailers. Agility Logistics state manager Brett Charlton said it was "chaos out there" as space on vessels was limited and services restricted

"We have recently seen significant union action in our ports, especially NSW, as well as weather events that have seen our importers and exporters face significant delays," Mr Charlton said.

He said the international service into Bell Bay has had more omissions than calls, either in Tasmania or Sydney and was currently reduced to one vessel a fortnight.

"Import containers in Sydney and export containers in Tasmania are held up for weeks at a time," Mr Charlton said.

"Most ports around the world are suffering capacity and equipment restraints with delays of up to three weeks not uncommon."

Importers are experiencing delays of up to three months.

"Reports from builders or retailers that they are awaiting shipping will be a more familiar narrative for some time yet."

The problems have been compounded by recent industrial action in Australian ports and a significant reduction in airfreight options due to the restriction of international passengers flights.

"

Charles Beaumont, owner of The



Importer stores in Hobart, Launceston and Burnie said it was the worst situation he had experienced in his more than 15 years with the business.

"We have had orders waiting in China for two, three, four months, you just can't find

space for all the goods," Mr Beaumont said. "We are not the only ones affected by this and it means Tasmanians will struggle to buy imported items, particularly as we head into Christmas.

"I have Christmas stock that won't arrive until January."

Mr Beaumont said while customers had been understanding, some were starting to ask for refunds after waiting 10 to 12 weeks for items.

"The reality is not everyone can afford something that is locally made so many will wait but we are having major stock issues, it is incredibly frustrating, particularly

Stefanie Graham. left. and Jackie Richardson stay positive at The Importer despite much of the Christmas stock being delayed.

when there are last minute cancellations for shipping.' The Importer currently has five containers

on the water heading to Tasmania, which Mr Beaumont said was promising.

Mr Charlton, who is also the chairman of the Tasmanian Logistics Committee, said planning ahead freight requirements was crucial for businesses with exports.

"There is a 67 per cent reduction in this

capacity from 2019 to 2020 for obvious reasons," he said.

Mr Charlton said freight costs were also increasing and unlikely to get better. He said it would worsen before March 2021.

"Importers in Tasmania are facing the most difficult period of their existence and this will be felt by many in the community.

"Coming off the back of a year of reduced vessel capacity with little reduction in volumes, there has been a significant increase in freight rates from most countries during 2020.'

Parents have been urged to shop early and to not make promises for Christmas gifts.

"If you have got kids I would be buying things now," Mr Beaumont said.

Mr Charlton also had a dire warning for those who usually leave their gift buying until the last minute.

"Don't expect to get the Christmas presents that your children want this year they will still be in transit."

Small business advice for recovery grants open

The \$1.5 million round of the Small Business Advice for Recovery Grant program has opened for applications.

Grants of \$750 are available for small businesses to engage the services of a consultant to provide advice or services that will assist with business recovery from the impact of the COVID-19 pandemic.

These grants can be used for business advisory services such as development of marketing plans, business plans or legal advice and/or support in applying for the Business Growth Loan Scheme.

Assessment of applications will commence as applications are submitted and they will be assessed in order of receipt.

Applications will be assessed on applicant and project expenditure eligibility, and evidence provided in support of the application.

Applications close 12 noon on Monday 22 February 2021 or when available funding has been allocated.

For more information visit the Business Tasmania website www.business.tas.gov.au or contact Business Tasmania at ask@business.tas.gov.au or on 1800 440 026.

The Small Business Advice for Recovery Grant program is part of the Tasmanian Government's \$20 million COVID-19 Small Business Sustainability and Recovery Assistance Package.

Department of State Growth



TASMANIAN BUSINESS REPORTER, November 2020 13

The Tas Labor team will work with the business community to create jobs across industries and across the state

David O'Byrne

"

Labor Shadow Treasurer

Address 1/17 Bligh Street, Rosny, TAS 7018 Phone 6212 2328 Email david.obyrne@parliament.tas.gov.au



NEWS

Window to export innovation

Two Tasmanian businesses have developed an innovative solution to automate the window sashes in Victoria's Government House ballroom.



The ballroom is larger than that in Buckingham Palace and all 16 giant double hung windows are six metres above the floor, making it difficult to open and close.

With the ballroom used year-round for social events, air flow can be reduced with large crowds, making the room uncomfortable.

Tasmanian companies Sealasah and Travtech have worked together to develop an automated solution while retaining the original elevated windows.

Sealasah director John Brennan said the company's expertise with old wooden windows meant it was well



placed to find a solution for the Government House ballroom.

"Our business focus is to upgrade original wooden windows and make them thermally better without spoiling heritage values," Mr Brennan said.

"The draught sealing system used provides the smooth sliding Government The giant double-hung window sashes at Victoria's Government House.

management

was looking for and we had to marry that up with an integrated electrically operated mechanism."

Peter Fewkes from Hobart company Travtech then designed and developed a process to modify the window mechanisms to ensure the whole ballroom could be completed. It's not the first time the companies have combined on a heritage window project.

"Two years ago we designed and built a world first system, called the "Sash Crab" which allows work to be undertaken safely on windows at height without scaffold, ropes and towers," Mr Brennan said.

"It has been an honour for our small Tasmanian business to be working on such a beautiful building as the Victorian Government House.

"Given what has happened recently with the economy it's even more important for Tassie to develop and export its expertise."

COVID-19 Small Business Energy Support Grant Program round two.

This grant program will assist Tasmanian small businesses impacted by COVID-19 with their electricity, water and sewerage costs.

One-off grant payments of \$1,000 are available to eligible businesses in embedded networks, and those businesses who have not been eligible for the COVID-19 electricity, water and/or sewerage waiver available from service providers from I April 2020.

The guidelines have been expanded to ensure even more people can benefit, with sole traders who don't employ staff now able to apply.

Assessments will commence as applications are submitted and each application will be assessed in order of receipt.

Applications are now open and will close at 12pm, Monday 21 December 2020.

For more information visit www.business.tas.gov.au or contact Business Tasmania at ask@business.tas.gov.au or on 1800 440 026.

Department of State Growth

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SALLY CHANDLER

Get online export advantage

he new "Free Trade Advantage" e-learning and resources website has just been launched by the Trade, Tourism and Investment Minister, Senator Simon Birmingham. It is a practical guide to help exporters navigate the benefits of Australia's Free Trade Agreements.

The Austrade administered website provides an introduction to FTAs, information on how to use FTAs, FTA market insights, information on online exporting and government support for businesses.

A link to the very informative FTA portal where current tariffs and rules of origin are supplied on a country-by-country basis where Australia has negotiated FTAs is also included.

The web link is https://freetradeadvantage.gov.au/ and users can sign up with email address and password to gain access to the full information.

Other Austrade resources include full information plus the Fact Sheet on the International Freight Assistance



Expansion opportunities online

inbound flight schedules and information on the goods that are eligible for IFAM support.

Mechanism -

www.austrade.

News/News/

international-

mechanism

- providing

outbound and

freight-assistance-

regularly updated

gov au/

IFAM was established by the Australian Government in April 2020 with \$110 million in funding to help keep air freight supply chains open in these uncertain times of dramatically reduced passenger aircraft flight numbers globally which carried a significant amount of freight in their hold.

A further injection of \$241.9 million was announced in

July and then a further \$317.1 million was announced in the October Budget to extend IFAM until the middle of 2021.

This initiative has enabled more than 160,000 tonnes of air freight to be exported or committed for export to 66 international destinations between April and early December this year.

The Austrade information on expanding your business through online exporting is particularly timely during the pandemic – www.austrade.gov.au/ecommerce – where an increasing number of households globally have switched away from retail to online purchasing. Many international markets are seeing double digit growth in online sales.

Austrade created the Online Exporting Guide to help Australian businesses understand the process, reduce the risks involved and to maximise returns. It is at www.austrade.gov. au/ecommerce-guide/guide/about-this-guide .

Contact the TCCI's TradeStart Adviser, Sally Chandler, at sally.chandler@tcci.com.au or phone 0408 888 311.

App fuels huge savings at bowser

N THE past three months it's estimated the Tasmanian Government's FuelCheckTAS App has helped motorists save tens of thousands of dollars.

Building and Construction Minister Elise Archer said more than 10,000 Tasmanians had accessed real-time fuel prices through the free app since it was introduced on September 18.

Ms Archer said the website helped motorists find the best deal for fuel around the state.

As a result of the COVID-19 pandemic, and the associated reduction in economic activity, global oil prices fell significantly in February 2020 and remain subdued. While fuel prices interstate reduced quickly in line with global oil markets, the same did not occur in Tasmania.

"Our Government remains committed to reducing the cost of living for all Tasmanians and that is why, to help put downward pressure on fuel prices, we announced in May 2020 the introduction of a mandatory real-time fuel price reporting scheme," Ms Archer said.

FuelCheck TAS allows motorists to find the cheapest fuel near their location. Motorists can easily use the app or website to search for fuel by location, price, fuel type and brand.

Under the scheme, fuel retailers are now required to update their prices within 30 minutes of making a change to fuel prices, providing enhanced transparency for consumers.



Building and Construction Minister Elise Archer, left, with RACT executive general manager, membership and community, Stacey Pennicott at the FuelCheckTAS launch.

Ms Archer said more than 240 fuel retailers had already registered for the scheme, creating real competition for the motorist dollar.

She urged Tasmanian fuel retailers to ensure that any global price reductions were passed on to consumers as a matter of priority.

Figures from Consumer, Building and Occupational Services, which administers the Government scheme,

show a 23 cent per litre difference between the highest and lowest U91 fuel prices reported between September and October – a potential saving of nearly \$7 on a 30-litre tank. The difference between the highest and lowest prices for diesel reported was 29c, which was a potential saving of \$14.50 on a 50-litre tank.

"These savings are welcome and highlight the expected continued success of the scheme," Ms Archer said.

To raise awareness of the scheme, CBOS has been actively engaging with industry groups and fuel retailers, both larger providers and smaller independent stations, ensuring all retailers are informed of their responsibilities under the scheme and encouraging support.

Existing fuel retailers were required to implement realtime fuel price reporting within two weeks of the start of the scheme. New fuel retailers must register for the scheme prior to selling fuel, given the scheme is mandatory. The reporting of price information by retailers is also being closely monitored by the Government.

Motoring group RACT estimates that Tasmanians overall saved \$115,000 on unleaded fuel costs during the four weeks since the Government's app, its associated website and mandatory real-time fuel price reporting, were introduced.

Tasmanians have been encouraged to download the app to increase market pressure and both improve competition.

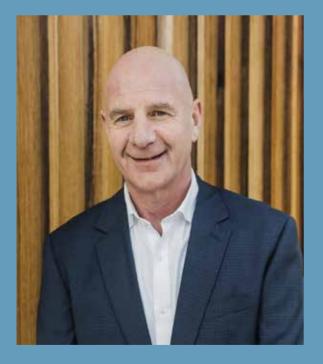
Download at the Google Play Store and Apple. TASMANIAN BUSINESS REPORTER, November 2020 15

TASMANIAN BUDGET 2020-21

JOBS • CONFIDENCE • COMMUNITY REBUILDING A STRONGER TASMANIA

WE ARE MAKING IT EASIER FOR BUSINESS TO HIRE TASMANIANS.

- 7,000 additional training placements for Tasmanians with \$10.5 million towards the Australian Government JobTrainer fund
- \$22 million to extend payroll tax rebates for all youth employees, apprentices and trainees for a further 12 months and to all industry sectors
- Extending the Targeted Apprentice and Trainee Grant for Small business, to any small business which employs an apprentice or trainee



"This is, without a doubt, the most ambitious Budget of our times, with historic investments to shore-up jobs, investment, opportunities and innovation in our State. We will do this through our landmark \$5 billion investment, which will support 25,000 jobs across the forward estimates and a return to surplus in two years.

We're supporting and incentivising businesses to employ people, and there's no better time to hire an apprentice than right now. To give Tasmanians the best opportunity to have the skills they need for the work ahead, we're investing more into skills and training, into TasTAFE and schools, and helping Tasmanians to gain new skills for future-ready jobs."

- Premier and Treasurer Peter Gutwein



To find out what the 2020-21 Budget means for you, visit **www.premier.tas.gov.au/budget_2020**

DOWN TO BUSINESS

International flights clear to land

The set of the set of

The new arrangement will see the Federal Government invest \$49.2 million for about 30 Australian Border Force, Australian Federal Police investigators and biosecurity officers to make Hobart airport an international gateway for three flights a week from New Zealand and two flights a week in winter.

Hobart International Airport acting CEO Matt Cocker said the return of international flights to Tasmania was the culmination of years of hard work.

"Today's announcement help Tasmania's economic recovery take off," Mr Cocker said.

"Our vision has been for Hobart to be a



truly international airport and it's fantastic both the state and federal governments support that.

"It's imperative we act quickly to capitalise on the momentum and to help Tasmania's economic recovery.

"Obviously flights between Hobart and New Zealand will be a huge boost for tourism in Tasmania, but the infrastructure upgrades will also create local jobs." Prime Minister Scott Morrison said the new arrangement realised the vision set out in the Hobart City Deal and would be a significant jobs boost.

"This deal will mean tourists from lowrisk areas can come to sample Tasmania's incredible experiences, sights and produce," Mr Morrison said.

Premier Peter Gutwein said his Government would invest \$10 million, as part of a \$17.5 million investment in partnership with the airport's owners, to upgrade Hobart Airport's infrastructure to facilitate its international border arrangements.

"This is a unique opportunity to travel between two extraordinary island destinations, and a terrific boost for local jobs across our tourism sector, including more jobs at our airport as we undertake upgrades in the coming weeks to accommodate international arrangements," Mr Gutwein said.

"This is a sensational coup in a challenging year, and I invite New Zealanders to come to Tasmania."

Mr Gutwein said he recognised the aviation industry was battling the impacts of the pandemic, and the Tasmanian Government would help underwrite the services between Auckland and Hobart for two years.

Assistant Regional Tourism Minister Senator Jonno Duniam said New Zealand was a critical visitor market for Australia.



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Tasmanian Gas Pipeline Fuelling Tasmanian jobs, energy security and growth



The Tasmanian Gas Pipeline (TGP) is proud to directly support close to \$1 billion worth of economic output, over 4,200 direct Tasmanian jobs and over 8,550 jobs in total.

According to economic analysis prepared by Deloitte Access Economics, which confirms the significant contribution Tasmania's only bulk supplier of natural gas makes to the state, the TGP also helps to 'maintain and sustain' Tasmania's manufacturing sector by providing a reliable and competitive source of clean energy and adds to the state's energy security by supplying the Tamar Valley Power Station.

The \$970 million in value the pipeline adds to Tasmania's economy is equivalent to three per cent of the state's GSP and the 8,550 jobs it supports makes up 3.4 per cent of Tasmania's total employment.

Natural gas makes up a vital component of Tasmania's energy mix and will continue to be important as the state transitions to renewable energy.

As the cheapest and most-efficient source of heat for manufacturing, natural gas plays a vital role in ensuring some of Tasmania's largest employers can continue to be competitive, both locally, nationally and further abroad.

Local capacity and employment are always important, but at a time when every job is precious and the economy moves to recover from the impact of COVID-19, they are now more important than ever.

In addition to supporting jobs, natural gas' contribution to the energy mix will continue to provide energy security to Tasmania as the state moves towards a renewable energy future.

The report also highlights the key role natural gas can play in supporting Tasmania's COVID recovery, identifying a number of industries heavily reliant on gas that offer significant opportunities for export growth in the coming years.

We are committed to continuing to work with industry, Government, the community and energy providers both now and into the future.

L.J. Ward.

Lindsay Ward CEO Tasmanian Gas Pipeline



A copy of the Tasmanian Gas Pipeline Economic Analysis prepared by Deloitte Access Economics is available at: https://www.tasmaniangaspipeline.com.au/economic-benefits-of-gas-to-tasmania



The Tasmanian Gas Pipeline supports over 4,200 direct jobs and over 8,550 jobs in total, is crucial to Tasmania's energy security and post-COVID economic recovery, and helps keep energy prices affordable for everyday Tasmanians.

At a glance:

- The TGP is the **only mechanism** by which natural gas is transported in bulk to Tasmania
- The TGP is a significant enabler of economic activity in Tasmania, helping underpin the continued operation of numerous major industrial customers and the more than 4,200 direct Tasmanian jobs they support
- It is the only supplier of gas to the Tamar Valley Power Station – an essential backup power source for Tasmania which played a crucial role during the 2016 energy crisis, helping keep the lights on in Tasmania
- Following COVID-19, the TGP provides an affordable fuel source to drive Tasmanian manufacturing growth and the state's economic recovery
- It also provides **affordable** gas supply for Tasmanian businesses and households

- Natural Gas provides the cheapest and most-efficient source of heat to Tasmanian Industry compared to diesel, fuel oil, LPG or coal, with low emissions
- **Ongoing connection** of the Tamar Valley Power Station to the TGP will underpin Tasmanian energy security and ensure affordable gas supply to Tasmanian customers
- The current four-year contract for the TGP to supply the Tamar Valley Power Station expires at the end of 2021
- An extension of this contract will provide energy security for Tasmania at least until other viable back-up power sources (such as Marinus Link) come online
- Once Marinus Link comes online, the Tamar Valley Power Station can continue to provide **grid and energy security** services to **support ongoing renewables**





Tasmanian real estate punches above weight

Knight Frank department manager for residential sales Mathew Chugg gives an update on the Tasmanian residential market and the reasons to invest in Tasmania in this month's editorial.

APITAL city price growth has been stronger in Hobart than anywhere else in Australia. This was the message to property owners in the nation's southernmost city from Knight Frank's latest Global Residential Cities Index.

The Q2 report tracked residential price movements across 150 cities worldwide. Hobart came in number 13 on the global list with 10.8 per cent growth, while Sydney was ranked 20th with 9.4 per cent growth followed by Melbourne at 37th and Canberra at 39th.

Although it has been a challenging year, the local market has shown buoyancy and resilience. Several factors played a role in Hobart's strong showing in the index including Tasmania being an island state, which meant the government was able to shut our borders and get the coronavirus under control very quickly. The lockdown was short compared to other cities and life got back to something near normal quickly.

This made Tasmania even more sought after in the eyes of interstate purchasers and we have seen an increase of sight unseen purchasers in the market.

A major area of growth has been land

sales due to high population growth.

State and Federal government stimulus packages for new builds and home prices are still relatively low compared with the mainland. Tasmania is now on top spot for dwelling starts and in the June quarter starts were 9.5 per cent above the decade average.

The Tasmanian market is also being driven by factors amplified by the pandemic. There is a renewed value that has been put on family and the people that are important to us and this has been a major driver with purchasers moving back to Tasmania. More than ever before people are making choices to live in Tasmanian outside their career and monetary reasons.

One of the real positives to come from COVID is the increased use of technology.

Most employees/employers now have the capacity to work from home which means you can live just about anywhere.

Running virtual inspections has become the new normal and real estate businesses have invested into new technologies to ensure we can continue to transact and show property to purchasers from interstate and overseas unable to visit.

There are many positive signs to suggest Tasmania will continue to lead the way during and post COVID. Interest rates continue to remain very low; population growth is set to continue, and the state is performing well economically. All this combined with the natural beauty of the island and its lifestyle options gives great optimism to the future property market.

Knight

PROPERTY VIEW November 2020

