

# Chamber Policy & Advocacy News - April 2017



March was a busy month for your team here at the Chamber. With both state and federal parliaments returning after the long Christmas break, there was no shortage of policy matters to keep us occupied.

Here's an overview of the issues we've spoken out on over the past month ...

## Federal government needs to back Australian Maritime College

The Chamber was disappointed by the federal government's announcement that it will spend \$25 million to build an Australian Maritime Technical College in South Australia.

The Australian Maritime College, based in northern Tasmania, has an outstanding international reputation as both a centre for advanced research and for teaching. The AMC, supported by the northern-based campuses of the University of Tasmania, already has a range of specialist facilities and expertise that would add



enormous value to these areas. This could include advanced technologies such as autonomous underwater vehicles, hull design, cavitation research and defence systems components. This would also enable further leveraging of the significant opportunities that will flow from the investments in the UTAS Transformation Project and the federal government's City Deal program.

The Chamber believes the Tasmanian economy needs diversification which plays to our strengths – and this is clearly a specialist field where we already have recognised expertise, a respected track record and the capacity to further grow and innovate. There is no justification for the federal government to duplicate this outstanding national resource simply to address short-term political concerns in South Australia.

We've subsequently been reassured that the Adelaide based college will not be in direct competition with AMC; and we've been told that there will be further announcements in the near future to recognise the important role AMC plays in the nation's defence planning. So watch this space.

Read more [here](#).

### **Changes to Legislative Council electorate boundaries**

In March, the Chamber made a detailed [submission](#) strongly objecting to radical changes proposed to the boundaries for Legislative Council electorates.

Our Executive Officer, Jan Davis, was interviewed about the issue by Brian Carlton on his Tasmania Talks program. You can listen to the interview [here](#).

A number of submissions noted that these changes will have significant effects on the makeup in the Legislative Council; and on the communities represented in these divisions. The majority objected to the proposed changes involving the new boundaries for McIntyre and Prosser; and argued that no credible reason has been presented as to why the small variations in current populations could not be addressed by incremental boundary changes.

Yet when the final decision was announced earlier this month, the Tribunal said it 'was not persuaded' by arguments against the substantial changes it has put forward; and only minor adjustments were made to the original proposal, around the outer edges of the division of Launceston.



There can be no doubt that the traditional division of the state into north, northwest, and south regions is at times problematic. However, it reflects our long-standing history. The new model has set aside this shared understanding, and instead created a new concept of east and west.

In the absence of compelling evidence, it is hard to see the need for significant change at this time; and there is no obvious justification for the radical and disruptive solution proposed.



### **Changes to penalty rates**

In its four-yearly review of modern awards, the full bench of the Fair Work Commission recommended in February that Sunday and public holiday penalty rates in the hospitality, retail, and pharmacy sectors should be reduced.

You can read our press release [here](#); and our Executive Officer, Jan Davis, spoke about the proposed changes in this [interview](#).

There's been quite a bit of public discussion about the recommendation since, but it is not yet clear what the federal government will decide to do.



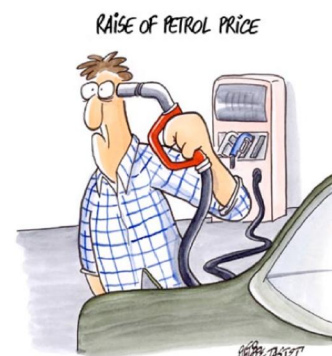
### **Electricity pricing review should bring price benefits to business**

The Chamber welcomed the federal government's announcement of a review of retail electricity prices amid a spike in power costs for businesses and consumers.

The Commission will scrutinise electricity retailer behaviour and contracts offered to businesses and consumers to ensure they benefit from competition in the National Electricity Market. Retailers' profit margins will be investigated, together with cost structures including network, wholesale and renewable energy scheme costs. The watchdog will also look into the way products are sold to consumers and market entry barriers to see whether there is enough competition in the industry.

Electricity prices have almost doubled across Australia in the past decade. This puts extreme pressure on businesses which are already operating on very slim margins

The ACCC will produce a paper within six months on its preliminary findings into the strategies and pricing behaviours of key electricity retailers. It will work with the Australian Energy Regulator and the Australian Energy Market Commission in undertaking the inquiry, with a final report due by



June 30 next year.

Read more [here](#).

### **Time for a review of third party appeal rights**

After sitting vacant for more than twenty-three years, the announcement that an agreement had been reached between developers and the small group that lodged an appeal against the development has signalled the start to serious work on the CH Smith site with completion expected in late 2018.

This is an exciting development for what is clearly an iconic site - and it will bring benefits to everyone in the region. We need positive projects like this to go ahead so that we can show investors that Launceston is open for business.

However, what this drawn-out situation highlighted is the need for a review of third party appeal rights in Tasmania. There is clearly something wrong with the system when there is no disincentive to prevent protest groups lodging appeals with little hope of success. Even when an appeal fails, project proponents face costly delays and expense. At the very least, it is time to consider requiring those objecting on appeal to lodge a bond to cover, at a minimum, legal costs for the developer.

Read more [here](#).



### **Moves for greater fuel price transparency welcomed**

The Australian Competition and Consumer Commission report into the Launceston petrol market released last year found that Launceston motorists paid on average around 12 cents per litre more for petrol than motorists in the five largest cities. It concluded that, if the Launceston market were more competitive, motorists could expect on-going savings of 4-5 cents per litre. Yet, despite the evidence provided in the ACCC report, no-one has seemed prepared to do anything.

So the Chamber has been actively lobbying both state and federal governments to say that there's been enough talk, and that regulators must step in to ensure fuel costs in Launceston are more reasonably aligned with those on the mainland.

Our efforts paid off last month when the state government announced two new initiatives to shine a light on petrol prices.





The RACT received a one-off grant of \$60,000 to support a crowd-sourced Tasmanian fuel price app in partnership with GasBuddy. GasBuddy is a US-owned free mobile app that provides information about service station petrol prices sourced from consumer-submitted data. This will enable motorists to easily find timely and accurate fuel prices in their area, and also submit fuel price updates themselves.

The second measure requires petrol stations to display only undiscounted petrol prices on petrol price boards. The government has said it will work with key stakeholders on a Code of Practice to ensure this happens.

The Chamber congratulated the state government on these measures that will help to ensure a more cost-competitive environment for northern Tasmanian businesses and consumers.

But that's not the end of the story. Last week, the owner of an Australian fuel price app company, questioned why the state government had funded a foreign-owned company when it's app, PetrolSpy, already operated in Tasmania prior to the funding. According to the company, their app has all the same features as GasBuddy; and has about 1000 users across Tasmania. We'll be interested to see how this plays out.

According to the latest data available, Launceston's average price of fuel was 140.3 cents-per-litre for the week ending April 9. That compares to a slightly higher state average of 140.7 cents-per-litre but a much lower national regional average of 128.6 cents-per-litre.

Read more [here](#).

### **Chamber to deliver innovative leadership program**

The Tasmanian Government has funded a \$50,000 pilot project for the Launceston Chamber of Commerce to train community leaders in innovative ways to implement development projects.

The Chamber is looking forward to the opportunity to implement such a fantastic program that will deliver tangible results to Launceston businesses & the community.

At the announcement of the grant, Chamber President, Tim Holder, said "Leadership is the essential element needed to underpin economic transformation".

Bass Liberal MP Sarah Courtney is pictured



here with Tim Holder at the announcement of the funding.

If you'd like more detail, drop our Project Co-ordinator, Genevieve Cooley, an [email](#) or give her a call on 6331 9364.

### [Meet the Candidates debate](#)

Over the past month, we've met with some of the candidates for the upcoming Legislative Council election for the division of Launceston. We've organised a 'meet the candidates' debate on Monday 1st May, ahead of the poll on Saturday 6<sup>th</sup> May. Watch your inbox for details.

### [Watch this space](#)

- There's been a lot of talk in the media over recent weeks about the federal government's **Launceston City Deal**. The Chamber has been involved in high level discussions about the final form of the deal, and we're excited by the opportunities it will offer. We're told we can expect a formal announcement over the next week or so.
- UTAS Vice Chancellor, Peter Rathjen, outlined progress on progress on the **UTAS Northern Transformation project** to the Chamber board recently. He indicated that the master plan for the Inveresk site will be released for public comment in the next few weeks.
- The state government's announcement that it intends to take over **TasWater** has created some heated debate. The Chamber believes the time for talk is over, and we should no longer be expected to accept third world standards for water quality and sewage treatment. We've urged the parties to come to some resolution as a matter of urgency – and just get on with the job.

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