Submission on Tasmania’s Economic Diversification and Investment Strategy

Submitted by: Tasmanian Pet Food

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Pure Tasmanian Pet Food is a small Tasmanian food manufacturer producing pet food from Tasmanian meat and vegetables. We support the strategy’s focus on productivity, innovation, regional capability, infrastructure and private investment.

For small manufacturers like ours, three issues have a major effect on our ability to grow, employ people and remain competitive.

1. Bass Strait freight

Bass Strait freight adds a significant cost and layer of complexity to Tasmanian manufacturing. It affects ingredients, packaging, machinery, replacement parts and access to mainland markets. Temperature-controlled freight is particularly important for food manufacturers.

- Improve the affordability, reliability and transparency of Bass Strait freight.
- Support shared freight, consolidation and cold-chain facilities for smaller producers.
- Ensure freight assistance recognises value-added Tasmanian manufacturing, not only raw commodity exports.
- Work with industry to reduce delays and improve contingency planning when services are disrupted.

Reducing freight disadvantages would make it easier for Tasmanian businesses to manufacture locally and sell into larger interstate markets.

2. Energy costs and reliability

Food manufacturing depends on reliable electricity for production, refrigeration, storage and food safety. High or unpredictable energy costs directly reduce the funds available for equipment, employment and business growth.

We recommend practical assistance for small manufacturers investing in energy efficiency, including:

- Grants or low-interest finance for efficient refrigeration, production equipment, rooftop solar and batteries.
- Independent energy assessments suited to small businesses.

- Clear information about available programs and likely savings.
- Support for regional energy reliability and business continuity.

Programs should be simple to access and should not require small businesses to employ specialist grant writers or consultants.

3. Automation and AI investment

Automation and carefully managed artificial intelligence can help small manufacturers improve inventory control, production planning, finance, marketing, sales, customer support and regulatory recordkeeping. However, the initial cost, technical complexity, cybersecurity risk and staff-training requirements can prevent small businesses from adopting these systems.

Tasmania could build a valuable competitive advantage by helping small manufacturers adopt practical, safe automation.

We recommend:

- Co-investment grants for approved automation, software and AI projects.
- Independent implementation advice that is not tied to selling a particular product.
- Training in cybersecurity, data protection and responsible AI use.
- Support for systems that retain human approval over spending, customer communications, advertising, supplier orders and other high-risk actions.
- Programs that measure improvements in productivity, waste reduction, energy use, customer service and regional employment.

Conclusion

Tasmania has strong food, agriculture and manufacturing capabilities, but small producers face structural disadvantages that mainland competitors often do not.

A coordinated strategy addressing Bass Strait freight, reliable and affordable energy, and accessible automation investment would help businesses such as Tasmanian Pet Food increase productivity, strengthen local supply chains and create more value from Tasmanian ingredients.

We encourage the Government to design programs that are practical for small businesses, straightforward to access and focused on measurable commercial outcomes.