SUBMISSION ON THE TASMANIAN ECONOMIC DIVSESIFICATION AND INVESTMENT STRATEGY

About Us:

The Tasmanian Agricultural Productivity Group (TAPG) represents the broader agricultural supply chain, with a focus on post farm gate processors.

Key sectors supported by our members include:

- Fresh and frozen vegetables;
- Pharmaceuticals; and
- Other non-food crops (pyrethrum).

These industries demonstrate the importance of historic investment in processing capacity in Tasmania, underpinning Tasmanian farmers by adding value and providing diversified operations to ensure robust rural and regional communities in Tasmania.

These processors are key parties in value adding to the quality produce grown by Tasmanian farmers, not only adding value and employment throughout regional Tasmania, but helping to ensure diverse cropping options for farmers to ensure they have diversified robust businesses.

An example of the criticality of this investment is the value added in the vegetable sector by our members, which sees the $630.2m farm gate value of vegetable production in Tasmania almost double in processed value to $1155.0m [1]. This lifts the sector from the third highest terrestrial farm-gate value to highest total value to Tasmania from land based agriculture (with only the salmon industry providing greater total value).

The need to protect this capacity is especially critical in the current global markets, where growth in production will be increasingly dependent on exporting to the world.

Increased exports, to drive broad-scale growth in agricultural production, is however exposing both our processors and producers to the impact of global commodity market (such as is seen with current potato pricing discussions).

This exposure means that whilst quality of our agricultural produce will continue to support growth in markets, productivity and innovation will be as equally critical grow

[1] Tasmanian 2023-24 Agri-Food Score Card: https://nre.tas.gov.au/Documents/AgriGrowth%20Scorecard%202023-24.pdf

and retain export markets, ensuring Tasmania is seen as a competitive and attractive place for investment.

This also reinforces the importance of ensuring investment in creating Tasmanian 'products' in as many sectors as possible, noting again that this will not remove the 'commodity' nature of many of our products.

TAPG Priorities

Currently TAPG has six priority areas that we are progressing, which are focused on ensuring the continued competitiveness and productivity of Tasmanian agriculture in general, and the post-farm gate sector specifically.

These priorities are:

1. Freight and Logistics;
2. Workforce Development;
3. Resources and Energy;
4. Biosecurity;
5. Effective Regulation; and
6. Sustainability Frameworks and Initiatives.

Whilst many of the initiatives in the draft EDIS support these priority areas, to achieve its vision TAPG believes that the Tasmanian Government needs to ensure that the EDIS focuses on enabling actions to ensure Tasmania is as competitive as possible in the global markets we operate in.

Only by doing these things can we expect to see the significant private investment Tasmania needs to meet the goals of the EDIS. Key areas to progress include:

- Engagement to Reduce Barriers to Export
- Efficient Service Delivery to Tasmanian Businesses
- Enabling Business Operating Frameworks

Engagement to Reduce Barriers to Export

Critical to unlocking any private investment is ensuring there are viable pathways to get products to market. Whilst this is less of a problem for many emerging industries, the Tasmanian economy will continue to be underpinned by industry sectors such as primary production.

To ensure this occurs we need to see a combination of investment in on-island infrastructure and capacity, coupled with a focus on ensuring project delivery through

GBE's is efficient and economically responsible (discussed further in this submission), and pro-active engagement to mitigate future decisions such as changes to operating arrangements and fees for the Port of Melbourne (Tasmania's gateway to the world for the majority of our agricultural produce).

Strategic investment in initiatives such as in a Tasmanian Freight Advocate will help not only address current concerns, but also ensure Tasmania is actively working with other jurisdictions to ensure our concerns are raised prior to decisions being made, rather than trying to address issues such as increased fees after they have been implemented (noting this initiative has been progressed in discussions with the Premier and Ministers separately by Mr Brett Charlton).

Biosecurity

Whilst biosecurity can have a direct impact on productivity of Tasmanian agriculture, its importance is just as significant for its influence on barriers to export. This is particularly relevant for fresh produce exports to both mainland Australia and markets such as South-East Asia. An example of where this has impacted Tasmania is the potato mop-top virus. This outbreak has resulted in the loss of market access for seed potatoes to mainland Australia and fresh potato exports to mainland Australia and potentially other high value markets.

By strengthening its investment in biosecurity, the Tasmanian Government can help ensure we keep pests and diseases out, and export markets open, strengthening business cases for investment.

Efficient Service Delivery to Tasmanian Businesses

Tasmanian agricultural businesses are dependent on the efficient provision of public services to drive investment. These services are delivered through a combination of State-Owned Companies, Government Business Enterprises, and, importantly, Joint Authorities (such as TasWater).

The Tasmanian Government, where it has direct control, needs to ensure that these businesses are efficient and effective through continued improvements to governance frameworks and oversight. This will provide not only benefits to resource availability and cost (energy and water) but also ensure increases in the costs impacting exporting of goods are minimized through efficient port and freight operations.

Where the Government does not have direct control over issues that are delivered by Council owned authorities, such as waste management and trade waste operations, it needs to ensure that regulatory frameworks balance obligations to

ensure that unnecessary costs are not passed onto businesses and that they actively support businesses to navigate their obligations.

Enabling Business Frameworks

The competitiveness of Tasmania as a place to invest can be directly influenced by Government taxes and charges, ranging from payroll taxes, Workcover premiums and stamp duty charges. Reviewing these charges, including relief for companies actively working to grow the Tasmanian economy should be considered.

Likewise ensuring that planning and regulatory frameworks are simple and efficient, taking a true risk-based approach to regulation (focusing on the likelihood as well as consequence), will help make a business operating environment that is more enabling.

This needs to be a continued focus of Government, where the need for regulations is constantly reviewed, and where regulation does not provide a material benefit it should be either simplified or removed.

Conclusion

TAPG commends the Tasmanian Government for its initiative to provide this overarching strategy to drive continued diversification and investment in Tasmania and would be pleased to discuss our submission further in conjunction with our 2026-27 Advocacy Priorities.

Critically, the key drivers, and barriers, for growth in the agricultural sector remain the same for both existing and future investment. This enables the EDIS to efficiently benchmark and test the impact of its priorities and actions by considering the impacts on existing businesses.

This is particularly critical when considering the diversified nature of Tasmania agriculture assists farmers and processers by providing a strong foundation to explore new and emerging opportunities.