



# TCCI Federal Election Platform

## Executive Summary of TCCI Federal Election priorities

### **TCCI Election Priority Number 1:**

commitment to invest \$3.5 billion in the Marinus Link interconnector and associated infrastructure.

### **TCCI Election Priority Number 2:**

commitment to continue the current demand driven and highly successful Tasmanian Freight Equalisation Scheme (TFES) and Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES); with the current TFES rules and rebate levels continued, and the ongoing incorporation of the temporary higher BSPVES rebate level into the existing scheme (the schemes cost \$205.7m in 2020-21).

### **TCCI Election Priority Number 3:**

commitment to provide an additional investment of \$25m per year on accredited and non-accredited training to address the current weak levels of Tasmanian labour productivity and support the short and long term transition of the Tasmanian economy.

### **TCCI Election Priority Number 4:**

commitment to funding over three years of a trial that ensures that all Tasmanian business owners, managers and employees have access to mental health and wellbeing support through an Employee Assistance Program provider.

### About the TCCI

The Tasmanian Chamber of Commerce and Industry is an independent membership organisation that positively leads the Tasmanian business community.

The TCCI is a Not-For-Profit, member-based organisation, funded by business to provide products and services which contribute to meeting members' objectives.

As a member of the Australian Chamber Alliance and the Australian Chamber of Commerce and Industry (ACCI), and the broader Chamber movement across Australia, TCCI provides valuable support to its members through a range of programs and services, and actively advocates their concerns as the 'voice of business' at all levels of government.

The TCCI represents more than 1,500 businesses through its Tasmanian membership base. The TCCI also reaches up to 20,000 businesses through regional chambers with the TCCI Chamber Alliance.

The TCCI membership reflects the breadth of the Tasmanian business community. It includes businesses from every region of our state including major cities, regional towns and remote areas; it includes large businesses employing thousands of people down to micro-businesses; it includes businesses that have been in Tasmania for generations through to new start-ups; it includes public companies, cooperatives, not-for-profits, private companies, and family businesses; and it includes businesses in every industry sector of our economy.

The TCCI is governed by a Board that is elected by and from the TCCI membership. The Board represents the diversity of the TCCI membership, and its directors have complementary skills that support good governance.

## The TCCI represents more than 1,500 businesses through its Tasmanian membership base.

The Board is chaired by Paul Ranson, who is also the CEO of Bank of us. The chair of the Policy sub-committee is Daniel Hanna. Executive General Manager Corporate Affairs at Federal Group.

### The TCCI Board is:

**Paul Ranson**  
**John De Bruyn**  
**Wayne Davy**  
**Kate Dean**  
**Dr Lesley French**  
**Dr Daniel Hanna**  
**Jay Summers**  
**Dr Tommy Wong**

The TCCI employs a professional team that effectively represent the interests of the TCCI membership and provide the services and programs to assist Tasmanian businesses.

The TCCI staff and management team is led by Chief Executive Officer Michael Bailey.

### Policy Development

This policy platform has been developed by the TCCI Policy Sub-committee in consultation with business chambers around the State. The TCCI thanks all those who provided input into our policy development process.

### Priority Number 1 – Marinus Link

#### Invest \$3.5 billion in the Marinus Link interconnector and associated infrastructure

Project Marinus (or Marinus Link) and the supporting transmission developments will unlock Tasmania's renewable energy and storage resources to deliver low-cost, reliable, and clean energy for customers in the National Electricity Market.

Marinus Link is a proposed 1500-megawatt capacity undersea and underground electricity connection to further link Tasmania and Victoria as part of Australia's future electricity grid. Marinus Link will be supported by transmission network developments on the North-West Tasmanian electricity network.

Marinus Link will include approximately 250 kilometres of undersea High Voltage Direct Current (HVDC) cable and approximately 100 kilometres of underground HVDC cable. It will also include converter stations in Tasmania and Victoria, and approximately 220 kilometres of

supporting High Voltage Alternating Current (HVAC) transmission network developments in North-West Tasmania.

The proposed route for Marinus Link will run from North-West Tasmania to the Latrobe Valley in Victoria. The cable will not follow the same route as Basslink in Tasmania or Victoria. This geographic diversity will support a more reliable and secure electricity supply.

The proposed route for Marinus Link in North-West Tasmania enables connection into some of Australia's best renewable energy and storage resources. In Victoria, the proposed connection is at Hazelwood Substation where there is access to significant Latrobe Valley transmission capacity.

The project is an interconnector, as it connects two or more transmission networks. Interconnectors allow power to flow between different regions (i.e., between Tasmania to Victoria), and allow the efficient transfer of electricity from renewable energy generation zones to where the electricity is needed. Interconnectors can increase the resilience of the National Electricity Market and make energy more secure, affordable and sustainable for customers.

Interconnectors are common around the world, including in Australia. They play a critical role in supporting Australia's transition to a clean energy future.

Analysis to date estimates Marinus Link and supporting transmission would have a total project cost of around \$3.5 billion (in 2019 dollars). This estimate includes allowances to reflect the present level of accuracy and contingencies that may arise.

#### Marinus Link has been recognised as a:

- national priority project by the Australian Government to stimulate economic recovery in the wake of COVID-19
- high priority initiative by Infrastructure Australia
- major Infrastructure Development by the Tasmanian Government
- Australian Energy Market Operator Integrated System Plan 2020 actionable project, to be shovel ready from 2023

On its own, the project will provide a broader economic contribution to regional communities in Tasmania and Victoria forecast to be in excess of \$2.9 billion and 2,800 additional jobs. In addition, Marinus Link and supporting transmission will unlock wider added value to the Tasmanian economy estimated to be up to \$5.7 billion through renewable energy developments, including new wind farms and pumped hydro energy storage enabled by the additional 1500 MW capacity across Bass Strait.

Marinus Link would place downward pressure on wholesale electricity prices and enable the National Electricity Market to save at least 70 million tonnes of CO2 emissions. It has been estimated that Marinus Link will unlock the achievement of the 200 per cent Tasmanian Renewable Energy Target (10,500 megawatt hours of additional renewable generation by 2040).

Marinus Link is a very positive investment for Tasmania. There will clearly be significant benefits in terms of employment and further economic activity, especially in North-West Tasmania.

However, significant benefits from the investment will accrue to other states and territories and the national economy. Therefore, Marinus Link is a national project of significance. For these reasons, the investment in Marinus is most appropriately made by the Australian Government. The required investment of \$3.5 billion should be committed in the context of the Federal Election so that the detailed work of planning, consulting and construction can get underway.

There are many reasons why the TCCI supports an investment in Marinus Link.

#### **For Tasmania, the investment will:**

- Capitalise on, and further cement, Tasmania's position as a world leader in renewable energy generation on the back of a century of investments in renewables by successive Tasmanian Governments.
- Generate massive direct and indirect jobs and economic activity in the construction and operational phases of the project (especially in North-West Tasmania).
- Stimulate further investment in renewable energy projects that will create significant economic activity and employment for the state (especially in regional areas and in Northern Tasmania) – these could include wind power projects at Robbins Island, liquid hydrogen projects at Bell Bay, and pumped hydro projects throughout the hydro generation network.
- Further ensure energy security for the state while potentially opening up competition and lower power prices for Tasmanian businesses.

#### **For Australia, Marinus Link will:**

- Accelerate the transition to renewable energy generation and a lower carbon economy.
- Provide for increased national energy security that will provide benefits for all Australian households and businesses.
- Improve energy supply at times of peak demand (especially during summer).
- Build a stronger and more diverse electricity grid and market for Australian households and businesses.
- Reduce energy prices for Australian businesses and households

For these reasons, Marinus Link is a high priority project of national significance that should be the subject of immediate investment by the Australian Government to unlock significant benefits for the Australian and Tasmanian economies. The Project will allow all Australians to benefit from a century of significant investments in renewable energy in Tasmania.

It will be very important that the Tasmanian and Australian Governments use the investment in Marinus to drive further investment in renewable energy projects in Tasmania. The state has an incredible opportunity to further cement its place as a global leader in renewable electricity generation and for the full benefits of Marinus to be gained in Tasmania these projects need to be facilitated and supported.

The TCCI is aware of a number of major projects that would benefit from the commitment to fund Project Marinus, including:

- Robbins Island wind power generation project
- Bell Bay hydrogen project
- Hydro Tasmania pumped hydro project

Each future project will need to be considered on its merits, but the TCCI argues that a commitment by the Australian Government to fund Marinus Link will also require joint Tasmanian/Australian Government commitment to support and facilitate future renewable energy projects in Tasmania.

The TCCI supports an investment by the Australian Government in Marinus Link, a 1500-megawatt electricity interconnector that will further integrate Tasmanian renewable energy into the national electricity market. The TCCI believes that the estimated cost of the Project is \$3.5 billion.

The TCCI is committed to working in partnership with the Australian and Tasmanian Government to help realise the potential of Marinus Link.

**TCCI Election Priority Number 1:  
commitment to invest \$3.5 billion in the  
Marinus Link interconnector and associated  
infrastructure.**

## Priority Number 2 – Tasmanian Freight Equalisation Scheme and Bass Strait Passenger Vehicle Equalisation Scheme

### Continue the current demand driven and highly successful Tasmanian Freight Equalisation Scheme (TFES) and Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES)

The Tasmanian Freight Equalisation Scheme (TFES) and the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) compensate for the additional costs incurred due to the need for freight and passengers to travel by sea to and from Tasmania (instead of roads).

The TFES and BSPVES have both made a significant positive difference to the Tasmanian economy over many years. The schemes are significant supporters of the Tasmanian economy and allow Tasmanian export sectors in both goods and services to invest and grow.

The TFES provides financial assistance for costs incurred by shippers of eligible non-bulk goods moved by sea across the Bass Strait. The amount of assistance is based on the difference between the freight costs of moving the goods by sea and the notional freight costs of moving them by road over an equivalent distance. The objective of the TFES is to provide Tasmanian industries with equal opportunities to compete in other markets, recognising that, unlike their mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road or rail.

Assistance under the TFES is also available for eligible non-bulk goods shipped between the main island of Tasmania and either King Island or the islands of the Furneaux Group and for eligible non-bulk goods shipped across the Bass Strait for the purposes of transshipment through an Australian mainland port.

On 11 May 2021, the Australian Government announced the TFES was being extended to eligible imported goods, which are shipped to Tasmania via a mainland port and where there is no Australian equivalent good.

The TCCI has been a long-term supporter of the TFES and many TCCI members have been able to build their businesses based on the certainty that the TFES provides. The TCCI Logistics Committee has strongly endorsed the TFES as a critically important program to support the viability and future growth of the Tasmanian private sector.

In the financial year 2020-2021, the TFES cost \$168.8m. The TCCI strongly advocates for the long-term continuation of the current program as a critical component of the future viability of many Tasmanian businesses and future growth of the Tasmanian economy.

The BSPVES has been a critical component of the growth of the Tasmanian visitor economy. The scheme has supported the growth of the Tasmanian tourism industry and the significant investments made by the

private sector. Tourism is now a significant driver of Tasmanian economic activity and employment and supports the ongoing development of the Tasmanian brand.

The BSPVES was introduced in September 1996 and aims to reduce the cost of seagoing travel between the mainland and Tasmania, by providing a rebate for the transportation of an eligible passenger vehicle across Bass Strait. In 2020-2021, the scheme provided assistance for approximately 123,564 eligible passenger vehicles, including 47,233 eligible passenger vehicles under a temporary higher rebate announced in January 2021.

The rebate is provided to the driver of an eligible passenger vehicle, in the majority of cases, in the form of a reduced fare charged by a service operator. The service operator is not the recipient of the rebate and is reimbursed on a monthly basis for the total rebate provided to eligible passengers or persons under the scheme.

The scheme is also available to people who have to take a flight between mainland Australia and King Island or the islands of the Furneaux Group due to the absence of a ferry service between the islands and mainland Australia.

The temporary higher rebate that applied from 2021 was critical in supporting the stabilisation of the Tasmanian tourism industry following the unprecedented COVID-19 based shocks to this important sector of the Tasmanian economy. The tourism industry is likely to remain significantly challenged for years to come due to the disruption caused by COVID-19 and the resulting changes in demand for travel.

The TCCI is strongly supportive of the continuation of the BSPVES into the future and also believes that the temporary higher rebate should become a permanent feature of the scheme. This will allow businesses in the Tasmanian visitor economy to recover from the COVID-19 based disruption, and then to once again grow and further invest.

The BSPVES is demand driven and in the 2020-2021 financial year cost \$36.9m.

**TCCI Election Priority Number 2: commitment to continue the current demand driven and highly successful TFES and BSPVES; with the current TFES rules and rebate levels continued, and the ongoing incorporation of the temporary higher BSPVES rebate level into the existing scheme (the schemes cost \$205.7m in 2020-21).**

### Priority Number 3 – Vocational Education and Training

#### Provide an additional investment of \$25m per year on accredited and non-accredited training

Productivity is the key to the future success of the Tasmanian economy. Tasmanian labour productivity levels have consistently lagged behind the national average and this is a major impediment to Tasmania's economic and social future.

The TCCI Tasmania Report – prepared by independent economist Saul Eslake – has consistently demonstrated that Tasmanian labour productivity rates must increase for a sustained improvement in Tasmanian society and the economy. Increasing the skills of Tasmanian employees was identified as a critical element of this being achieved.

In a similar vein, the Premier's Economic and Social Recovery Advisory Council (PESRAC) Final Report of March 2021 identified that skills was an issue of considerable focus during the consultation process. In fact, PESRAC found that the "single most common topic at our workshops was that skills, training and TasTAFE are central to recovery from the economic and social impacts of the COVID-19 pandemic". PESRAC also heard calls for more public funding of non-accredited training and training to alternative industry standards.

The TCCI agrees. Improved training, skills, and ultimately labour productivity, are all critical elements for the Tasmanian economy and the future success of Tasmanian business. Improvements will support the Tasmanian economy as it recovers from the disruptions of COVID-19 and also address underlying structural weaknesses.

The PESRAC Final Report made a number of recommendations about training priorities and skills funding being focused on training that supports current and future industry needs and is more flexible and responsive.

A significant recommendation of the PESRAC report was to establish TasTAFE as a government business that can be more flexible and responsive to current and future skills and training needs in the Tasmanian economy. The Tasmanian Government introduced legislation in late 2021 to instigate the TasTAFE reform process and this was passed by the Tasmanian Parliament in December 2021.

The TCCI strongly supports the TasTAFE reform process and notes that this will be a long-term reform that can benefit Tasmanian businesses and the Tasmanian economy.

In line with the recommendations of the PESRAC Final Report and the broader findings in the Tasmania Report, the TCCI argues that there is a critical need for increased investments in skills and training to support the recovery and growth of the Tasmanian economy.

These increased investments should be focused on two areas:

- Formal accredited training – additional skills training by TasTAFE (or other training organisations) to support Tasmanian businesses and employees to become more productive. This investment would be ideally targeted towards areas of projected industry need; such as renewable energy, tourism/hospitality, advanced manufacturing, primary production.
- Non-accredited training – shorter and more workplace targeted training supports increases in labour productivity and responds to specific and emerging needs within workplaces and industry sectors. This training would be delivered by a range of training organisations and generally would be delivered in workplaces.

To urgently direct training towards current and future industry needs and support the transition of TasTAFE and improved labour productivity, the TCCI seeks a commitment of an additional \$25m per annum towards both accredited and non-accredited training in Tasmania. This investment will deliver improved labour productivity in Tasmania and support the lives and careers of Tasmania's current and future workforce.

**TCCI Election Priority Number 3:**  
**commitment to provide an additional investment of \$25m per year on accredited and non-accredited training to improve the current levels of Tasmanian labour productivity and support the short and long term transition of the Tasmanian economy.**

## Priority Number 4 – Mental Health and Wellbeing

### All Tasmanian business owners, managers and employees have access to mental health and wellbeing support through an Employee Assistance Program provider

The COVID-19 pandemic, and its impacts on Tasmanian businesses, has caused a significant amount of stress and anxiety for Tasmanian business owners and their employees. The pandemic has led to greater levels of business uncertainty and impacts on demand and supply for a huge swathe of Tasmanian businesses and industry sectors.

While the strong business support of both the Australian and Tasmanian Governments during this time is noted and appreciated (through programs such as Job Keeper), this was a very difficult and uncertain time for Tasmanian business. This is confirmed through feedback provided by members of the TCCI, many of whom have discussed the stress and anxiety they have felt in the last two years – and a feeling of fatigue as the COVID-19 pandemic continues to impact on their businesses and workplaces.

For Tasmanian businesses to lead the economic recovery from COVID-19 all owners, managers and employees need to be healthy, energetic and optimistic about the future. Unfortunately, this is not currently the case and the TCCI believes that this will be an ongoing drag on the Tasmanian economy into the future. There is also the potential for tragic outcomes in the future for some Tasmanian business owners and their employees if they do not get access to the right assistance to support them.

It is for these reasons that the TCCI calls for a commitment to fund a trial in Tasmania that could boost mental health and wellbeing and ultimately have positive impacts on the Tasmanian economy and labour productivity.

There are established service providers to industry that provide support for owners, managers and employees through a wide range of issues. Employment Assistance Programs (EAP) are delivered through a range of private and not for profit organisations and provide support, counselling and referral for employees and business owners to assist them through personal, family or work-related challenges – these services include counselling and mental health support.

However, EAP is only available to that percentage of the working population whose company has a contract with an EAP provider. This has tended to be larger companies that can afford the investment required. The TCCI believes that few small to medium sized Tasmanian businesses engage an EAP. Yet it is often small businesses that need the support most.

The TCCI believes that Tasmania would be an ideal place to trial an investment by the Australian Government in ensuring that all owners and employees in Tasmania have access to EAP support over the next three years.

This could be done through the Australian Government coordinating and purchasing (through a public tender) EAP services to provide support to cover all Tasmanian workplaces. This assistance would be available to all Tasmanian owners and employees of businesses with less than 100 employees free of charge.

In addition to this, and to encourage equitable coverage of the entire non-government sector, all organisations in Tasmania with more than 100 employees can get a 150% tax deduction for the costs associated with the delivery of EAP to their employees.

The TCCI could play a supporting role in the coordination of such a trial in Tasmania.

**TCCI Election Priority Number 4:  
commitment to funding a trial in Tasmania  
over three years that ensures that all  
Tasmanian business owners, managers and  
employees have access to mental health and  
wellbeing support through EAP services.**