

2nd June 2020

The Secretariat
Premier's Economic and Social Recovery Advisory Council
Mr Ben Goodsir
GPO Box 147, Hobart TAS 7001

secretariat.PESRAC@treasury.tas.gov.au

Dear Mr Goodsir,

Reference: **Premier's Economic and Social Recovery Advisory Council**

Thank you for your letter to Mike Brindley – Secretariat of the Tasmanian Logistics Committee (TLC), dated the 26th May 2020 inviting our committee to provide input into your initial engagement process as part of the Premier's Economic and Social Recovery Advisory Council (PESRAC).

As requested, please find attached our initial responses to your questions in point form. In order to be succinct, we have provided brief comments and can expand on any themes further as you require.

➤ ***What impacts are currently being seen by your sector or members and what impacts are anticipated in the coming weeks and months?***

- International freight rates increasing ex Asia (approx. US\$200.00 per TEU per fortnight) with waiting times of over three weeks being reported in major ports which will impact on inbound goods.
- Concerns over reduced volume ex Asia on the back of slow retail which will reduce the availability of empty containers for Tasmanian exporters to use to export goods to market – this is a worldwide phenomenon due to COVID-19 with no immediate resolution.
- Expect pressures on businesses as implementation of (necessary) COVID – 19 work safe protocols are rolled out.

➤ ***What factors are likely to shape the medium and longer-term impacts for your sector/members?***

- The recommencement of trade internationally will be constrained by reduced shipping services and this reduced capacity will take time to strengthen. In the interim, pricing will be high and this will flow to Tasmanian exporters to absorb the cost

- ***What data or information can currently be provided to the Council on the nature and magnitude of impacts for your sector/members?***
- Shipping data is provided regularly with the Tasmanian Logistics Committee receiving data from industry association partners, shipping lines, Port of Melbourne, TasPorts and Tasmanian exporters.
- ***What mitigation measures are currently in place that aims to address these impacts?***
- The southbound “non-Australian” import component of the Tasmanian Freight Equalisation scheme (which has been progressing to implementation) will provide assistance to Tasmanian manufacturers who source international input into their value add process.
 - The TLC has been working closely with the Department of Infrastructure to progress this matter to the required outcome with expectation of a 1st July 2020 start.
- ***What impacts are not being mitigated or for which there is no plan in place to mitigate?***
- Lack of empty containers and inability to source them for Tasmania as peak season nears (August – September 2020).
 - Potential further disruption to coastal carriers, similar to 2019/2020, with unforeseen events rendering some services to Melbourne and return at less than capacity.
- ***What responses, both within the sector and more broadly, are front-of-mind and over what timeframes - what should be stopped, what should continue and what should be started?***
- Started* – TFES Southbound “Non-Australian” input by 1st July 2020
- Stopped* – Ongoing escalation in charges for Tasmanian exporters such as Bio Security and Port charges (and other) which makes some exports markets unviable
- Continue* – regular engagement with industry that has been implemented as a response to COVID-19 should be considered for the long term to drive improved economic outcomes.
- ***What would help create or build business/consumer/community confidence?***
- A recovery plan would be the first step that clearly articulates a series of achievable steps towards an improved economy. This may include government stimulus and spending to give business the confidence to adopt similar steps.
- ***What would help your sector/members re-employ where there have been reductions in jobs, or grow employment levels?***

- Improved employment should be needs driven where there is demonstrated opportunity for business expansion. As the economy reopens and re engages both domestically and internationally, these opportunities will become more apparent.

Please contact me by either phone 0421174680 or email bcharlton@agility.com should you wish to discuss further.

Yours faithfully

A handwritten signature in black ink, appearing to be "Brett Charlton".

Brett Charlton
Chairman