

TASMANIAN MARITIME NETWORK
Response to the Tasmanian Economy and Social Recovery Advisory Council

1. What impacts are currently being seen by your sector (include members and clients) and what impacts are anticipated in the coming weeks and months?
<ul style="list-style-type: none"> • Massive negative impact: <ul style="list-style-type: none"> ○ loss of income in millions, significant loss of customers, contracts put on hold, inability to do business nationally/internationally due to travel restrictions, product inquiries have evaporated, immediate demand for new vessels is significantly down to non-existent ○ recreational customers expected to return when restrictions are lifted but some commercial customers may struggle to survive ○ cashflow severely affected • Some businesses lucky enough to have ongoing work/signed contracts pre-Covid – but seen as a short term gain only • If travel restrictions persist, going forward: <ul style="list-style-type: none"> ○ will create extreme difficulties for businesses with contractual obligations that require physical presence, and workforce, in mainland/offshore sites – and penalties imposed for late delivery/non-performance ○ will see decline in/cancellation of orders expected due to production delays & inability to travel ○ may force business to move out work to mainland sites ○ supply chain delays likely to cause late delivery of current projects • Short term coping, but long term next 2-5 years will be hard, so need budgeting accordingly and looking at other opportunities to grow business in covid-19 restrictions
2. What factors are likely to shape the medium and longer-term impacts for your sector/members?
<ul style="list-style-type: none"> • Pandemic: <ul style="list-style-type: none"> ○ Continuing impact on domestic and international movements and overall global health and safety - continuing global threat eroding business and consumer confidence • Economic/political environment: <ul style="list-style-type: none"> ○ The price of oil ○ Border restrictions for interstate and international travel ○ Government spending on infrastructure projects • Market: <ul style="list-style-type: none"> ○ Length of time customers are in lockdown and time needed to re-establish market activities ○ Downturn in international shipping due to Covid-19 ○ a lack of business and consumer confidence will continue to impact our sector due to Covid-19 ○ restart of investments in market • Business strategies companies will employ: <ul style="list-style-type: none"> ○ Good marketing and sales strategies ○ Looking for other ways to do business (eg virtual services) ○ likely cost-cutting exercises most businesses will employ ○ how to meet contractual obligations under travel restrictions nationally/internationally
3. What data or information can currently be provided to the Council on the nature and magnitude of impacts for your sector/members?
<ul style="list-style-type: none"> • As per Q1, member feedback shows massive negative impact; while some may be coping short term, in medium to long term, expect hard years to get business back on track
4. What mitigation measures are currently in place that aim to address these impacts?
<ul style="list-style-type: none"> • Government support (hardship grants, business loans) • Requests for state government assistance in seeking manufacturing opportunities • Employing people from interstate to meet contractual obligations in place of Tasmanian personnel (if unable to travel, will need to relocate personnel and carry out work outside of Tasmania) • Revised marketing strategy to increase the range of potential customers, efforts to increase the robustness of our services to keep existing customers, remarketing to existing customers to add value to existing services to try and keep their business • Focusing on reshaping services to overcome travel restrictions (software development to support provision of virtual/remote services) • Greater R&D efforts to make services/products more internet based & less reliance on physical presence • Broadening business focus to increase income opportunities

<p>5. What impacts are not being mitigated or for which there is no plan in place to mitigate?</p>
<ul style="list-style-type: none"> • Loss of Job Keeper with no major works to continue with • Worldwide continued recession • Significant downturn of commercial shipping • Inability to influence industry sector
<p>6. 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?</p>
<ul style="list-style-type: none"> • The Tasmanian Government needs to qualify works that can be shovel ready and get infrastructure spending up and running in several different business sectors, Ports and Harbours, Tourism, Northern Prison Complex etc. Tasmanian companies should be given every opportunity to demonstrate they have the resources and capability to deliver the works. • Put more effort into generating new business in the defence sector as a hedge against downturn in commercial and recreational shipping • all actions should be done with some urgency as SME businesses typically do not have deep enough pockets to sustain very long periods without income generating work. <ul style="list-style-type: none"> ○ From a State point of view – What should be stopped – government procrastination and bureaucratic hesitation ○ What should continue – a true dedication to facilitate jobs protection in Tasmania ○ What should be started – a focused look at where Tasmanian businesses and industry can be deliberately and specifically targeted toward local government Tender opportunities, and infrastructure growth and development (A relevant recent precedent is in WA where Austal Ships have been awarded a \$350m contract without a Tender process)
<p>7. What would help create or build business/consumer/community confidence?</p>
<ul style="list-style-type: none"> • Eradication of SARS-CoV-2! • Investments in Northern Tasmania (eg a second bridge over the Tamar River would provide a massive impact for the Northern economy, provide jobs and boost productivity. This would benefit all interest groups. UTAS should be used to design the project) • Further investment in building blocks and reducing stamp duty on building, buying and selling real estate. • Continuing decreases in COVID-19 cases, dovetailed with ongoing community communication from health experts and government declaring the health status of Tasmania and Australia. • Measured, responsible opening of State-wide restrictions with impacts measured and declared. • The return of intrastate and interstate tourism
<p>8. What would help your sector/members re-employ where there have been reductions in jobs, or grow employment levels?</p>
<ul style="list-style-type: none"> • Business growth (Tasmanian tender processes restarted and being awarded a Tasmanian based contract that would help grow the business and employ Tasmanians; developing strategic ways to deal with the future) • Wage support for graduates or post doc interns for short to medium periods, where we could provide job experience and a proportion of their remuneration • It is all dependant on business and consumer confidence improving to the point where clients can see past this period of downturn and financial instability, not only in Tasmania, but throughout the full reach of the Tasmanian marine sector's worldwide market. • Confidence and the liberty to travel and ability to feel safe to commute to work and explore is required to revitalise tourism and the world economy