Statement of Corporate Intent

The 2019–2022 Tasmanian Development and Resources (TDR) Corporate Plan recognises the role and responsibilities of the Tasmanian Development Board (TD Board) as required under the Tasmanian Development Act 1983 (the Act).

It is the role of the TD Board, within the limits of its powers, to encourage and promote the balanced economic development of Tasmania. This includes ensuring that its policies are directed to the greatest advantage of the people of Tasmania and that its powers are exercised in such a manner as, in its opinion, will best contribute to:

• the stability of business undertakings in Tasmania;
• the maintenance of maximum employment in Tasmania, and
• the prosperity and welfare of the people of Tasmania.

The Plan specifies the strategic direction and focus areas and represents the role of the TD Board in achieving the goals outlined in the Act.
On behalf of the Tasmanian Development Board, I am pleased to present the TDR Corporate Plan for 2019–2022.

In developing the Plan, the Board has considered the strong economic performance and outlook for the Tasmanian economy and how best the TDR can support continued growth in Tasmania.

‘Sustainability in growth’ is a key focus area for the Board in the first two years of our new corporate strategy.

In recognition of strong performance and increasing business confidence and investment in Tasmania, the Board acknowledge that benefits must be distributed and shared across the whole economy.

Maintaining the jobs we have and creating skilled employment pathways for participation in our businesses and industries of the future brings benefits to us all.

It is against this background that the role of the Board becomes of pivotal importance.

In a strong economy arguably there should be less need for government assistance to individual companies. Nonetheless the Board’s mandate is to provide the greatest advantage for Tasmania and its people.

Therefore the Board in the upcoming period will continue to look at requests for assistance but would have a strong preference for loans over grants.

We would expect that any proposals accepted would have very strong demonstrated attributes in terms of jobs, co-investment, regional infrastructure and community benefit.

The Board has developed the Plan over a three year period, and will review and refresh the key priority areas every 12 months, in recognition of the dynamic nature of the changing business conditions in Tasmania and globally.

It is my privilege to work with my fellow directors who are passionate ambassadors and supporters of the Tasmanian brand and who share a passion for our state to be the best place to live, work and raise a family.

It is with this commitment that I look to the next three years for the Tasmanian Development Board with optimism and confidence for the Board to play its role in building Tasmania’s future.

Brian Scullin
Chair
Tasmanian Development Board

The Board has specific areas of responsibility under the Act and has governance of the legal entity, TDR.

The Board provides independent advice to the Minister on matters relating to the State Growth portfolio and also the Office of the Coordinator—General.

The Board’s primary focus is the creation of investment and associated employment through supporting the implementation of government policies.

It is the duty of the TD Board, within the limits of its powers, to encourage and promote the balanced economic development of Tasmania, and to ensure that its policies are directed to the greatest advantage of the people of Tasmania.

The Act outlines the policy objectives of the TDR, namely:

• the stability of business undertakings in Tasmania
• the maintenance of maximum employment in Tasmania, and
• the prosperity and welfare of the people of Tasmania.

To achieve these goals, in this Plan we have articulated our key focus areas for the coming three year period.

The priority programs that will assist us to achieve these key focus areas will be reviewed every 12 months.
In developing this Corporate Plan the Minister for State Growth provided to the TD Board the key expectations to enable the Board to provide their input into making Tasmania a good place to live work and invest and encourage continued growth in the Tasmanian economy.

The Minister’s strategic expectations for the TD Board is to drive the key focus areas of activity and provide a framework to assess proposals against Tasmanian Government objectives.

The Minister for State Growth’s priorities relate to the following key principles:

• work closely with the Office of the Coordinator–General to stimulate and attract investment in Tasmania in priority areas assessed by that Office as bringing future strategic advantage to the state which either retains or accelerates growth in traditional and emerging industries
• provide a key advisory role to the Tasmanian Government and provide independent advice and assessment on proposals that benefit the Tasmanian economy and the policy objectives of the TDR and the Tasmanian Government
• administer loan schemes that achieve agricultural and other industry growth
• reflect and consider key government strategies and commitments when considering proposals for assistance, and
• monitor the economy in terms of investment and employment to ensure the focus of assistance is aligned with the current economic conditions.

In establishing priorities for the forthcoming period, the TD Board has considered key trends in the economy and the Minister for State Growth’s priorities to continue to achieve increased growth, employment and grow industry capability in Tasmania.

At the time of preparing this Plan, Tasmania’s economy is growing at the fastest rate per capita in Australia with business confidence high and an unemployment rate at around six per cent.

Tasmania’s economic performance was supported by strong business investment and international exports with business investment increasing by over 17 per cent in 2017–18.

The introduction of a three-year payroll tax exemption for eligible interstate businesses relocating to regional Tasmania before 30 June 2021, will further support growth in the sector.

Tasmania has experienced strong population growth at 1.1 per cent in the 2017–18 financial year, the fastest rate in nearly a decade.

Tourism contributes over $3 billion to our GSP supporting 15 per cent of total employment.

With increasing visitor numbers including international visitation almost doubling over the past five years, the outlook for the tourism sector is positive.

It is against this background of a strong economy, that the Board has developed its priorities for 2019–2022 that support the key focus areas of the Board.

These are to:

• promote and encourage the extension of portfolio loans in preference to grant assistance where the need can be demonstrated against clear criteria
• consider proposals for grant assistance targeted on accelerating sectors and businesses in the Tasmanian economy where growth is less than other high performing areas
• facilitate assistance to regional economies so that the benefits of improved economic performance are shared throughout the Tasmanian community
• encourage businesses to ensure employment, social and environmental outcomes feature in proposals to the Board in addition to financial metrics
• prioritise requests for assistance that provide increased employment or new jobs for Tasmanians, and
• promote and emphasise existing schemes for assistance across government such as payroll tax relief where need can be demonstrated rather than seeking financial assistance and support from TDR.
# Focus area
Administration of programs and assessment of applications for financial assistance to support strategic focus areas for growth agreed by the Tasmanian Government.

## Key focus areas for 2019–2022

<table>
<thead>
<tr>
<th>Focus area</th>
<th>Priority programs 2019–2022, reviewed annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Administration of programs and assessment of applications for financial assistance to support strategic focus areas for growth agreed by the Tasmanian Government. Discuss program funding sources with the Tasmanian Government, including the opportunity to use the existing balance sheet to provide sources of funds for loans programs. Support the Department of State Growth in identification, development and implementation of programs that support the key objectives of the Board. Leverage the balance sheet to provide for new programs to support and attract investment that meets agreed criteria. Work with the Office of the Coordinator–General (OCG) and the Department of State Growth to identify new opportunities for program funding and gaps in the current suite of programs to address business need and create further investment and employment.</td>
</tr>
<tr>
<td>2</td>
<td>Industry sectors that have the capacity to accelerate growth in the Tasmanian economy and the capacity to both sustain the jobs we have and create new jobs. In conjunction with the Department of State Growth, consider applications for loans, grants and guarantees through establishment of programs and ad-hoc requests for assistance with a focus on key industry sectors that provide opportunities for growth and development in the Tasmanian economy.</td>
</tr>
<tr>
<td>3</td>
<td>Supporting the role of the OCG to identify opportunities, manage major projects, reduce red tape, attract investment and encourage businesses to establish, relocate, diversify and expand in Tasmania. The Board will support the OCG in the provision of advice and guidance through early engagement and communication. The agenda for each board meeting will allocate time for the Board to act in an advisory capacity to the Coordinator–General.</td>
</tr>
<tr>
<td>4</td>
<td>Provision of advice and advisory role to the Tasmanian Government on matters relating to the policy objectives of the TDR and government. Provide advice and expertise to government in relation to the development and implementation of strategies, taking advantage of the Board’s collective commercial experience and expertise. Work with key stakeholders in government and the business community to develop information for decision making purposes.</td>
</tr>
</tbody>
</table>

The Board administers a range of financial assistance programs and assesses projects for assistance to Tasmanian businesses in a manner that:

- is consistent with the strategic priorities of the Tasmanian Government
- addresses a demonstrated need for financial assistance
- provides tangible positive benefits for the community at large, and
- achieves an impact that is commensurate with the amount of financial assistance provided.

### Current programs administered by the TDR (February 2019)

#### AgriGrowth Loan Scheme, including Young Farmer Support Package
An initiative of the Tasmanian Government providing low interest loans to Tasmanian farm businesses and agri-food businesses. Supports projects that advance the government’s AgriVision 2050 plan which aims to increase the value of the agriculture and agri-food sectors in Tasmania. Provides loans ranging from $100,000 to $3 million to fund projects that otherwise could not be brought forward and/or financed under normal banking arrangements.

#### Heritage Places Renewal Scheme
The Tasmanian Government’s commitment to preserving and revitalising our local heritage and history, through the Heritage Places Renewal Loan Scheme provides for up to $10 million to be made available for low interest loans, over an initial two year period, for owners of Tasmanian heritage listed properties. Loans provided for a minimum of $100,000 to a maximum of $1.5 million.

#### Tourism Accommodation Refurbishment Loan Scheme (TARLS)*
TARLS provides for up to $20 million to be made available for low interest loans, over an initial two year period, for eligible tourist accommodation businesses operating in Tasmania. Provides assistance to tourism operators, particularly in regional Tasmania, to improve the standard of the tourism offering in Tasmania and assist operators within the sector to lift the standard of their product or services. Loans provided for a minimum of $50,000 to a maximum of $1.5 million.

### Previous schemes administered include:

- Pacific Oyster Mortality Syndrome (POMS) Concessions Loan Scheme
- Flood Recovery Loan Scheme to assist primary producers and small businesses impacted by the June 2016 floods: 13 loans totalling $2 million.
- Australian Government Farm Business Concessional Loan Scheme* for dairy and drought recovery launched late 2016 to cover up to 50 per cent of eligible farm business debt: 34 loans with a combined value of almost $30 million.

*Now administered by the Australian Government through the Regional Investment Corporation.
The Office of the Coordinator–General (OCG) is Tasmania’s principal entity to attract and support investment in the state.

The OCG is a fundamental part of the Tasmanian Government’s agenda of promoting and developing Tasmania’s attractiveness for investment and creating jobs.

The OCG acts as a single point of contact for major investment projects. Outcomes are achieved by working collaboratively across the broader Department of State Growth, other State and Australian Government agencies, statutory authorities and local government.

The OCG operates broadly across four interconnected areas:

- investment attraction and promotion
- major project facilitation
- northern cities, and
- red tape reduction.

The OCG works to build the pipeline of potential investment projects and to send a clear message that Tasmania is open for business.

The Coordinator–General attends the meetings of the TD Board and provides an update on progress in identifying and developing investment opportunities and the work and priorities of the Office to seek guidance and advice from the Board on maximising investment attraction to the state.

The Coordinator–General meets regularly with the Chair of the Board to discuss projects and priorities.

Financial submissions originating from the OCG are considered by the Board to provide a common framework for assessment and further independent source of advice to the Minister for State Growth and the Treasurer.

TDR has recently provided grants and/or loans to support growth in the Tasmanian economy to these recipients.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasmanian Amalgamated Renewable Timbers (Hermal Group)</td>
<td>A grant and loan to establish the world’s first cross-laminated timber panel products supply chain based on plantation eucalyptus hardwoods and green energy recovery. The new $190 million 80-hectare cross-laminated plantation timber mill and production facility in Hampshire will create around 200 new jobs, and a further 160 jobs during the construction phase.</td>
</tr>
<tr>
<td>Houston’s Farm</td>
<td>A grant to assist with the expansion of development of the Dodge Farm operation at Forcett and a loan to leverage an injection of new capital to grow the business enterprise to protect existing jobs and drive regional employment in the Sorell region.</td>
</tr>
<tr>
<td>Thomas Cook Group</td>
<td>A grant over five years to assist with the establishment of the Group’s new Australasian headquarters in Hobart by offsetting 50 per cent of the payroll tax payable on the operations which is expected to inject in excess of $12 million a year into the local economy and create 40 full time local jobs.</td>
</tr>
<tr>
<td>Navigators</td>
<td>To boost the tourism experience for visitors to Tasmania, a loan to provide financial assistance to construct a new passenger ferry for the Brooke Street Pier – MONA tourist route.</td>
</tr>
</tbody>
</table>

Industry sectors that have the capacity to accelerate growth in the Tasmanian economy and the capacity to both sustain the jobs we have and create new jobs.

Focus area 2

Supporting the role of the Office of the Coordinator–General to identify opportunities, manage major projects, reduce red tape, attract investment and encourage businesses to establish, relocate, diversify and expand in Tasmania.
The Minister may also approach the Board to seek their consideration of significant policy matters or to form sub-committees to assess the suitability and viability of a project or proposal.

This is consistent with the objectives of the TDR and provides independent assessment expertise and advice to the Tasmanian Government.

This provides business and industry sector knowledge to the decision making process.

The Board provide an independent view to the investment of scarce resources in areas that will benefit the Tasmanian economy, support our quality of life and provide the foundations for growth and a strong economy in the years to come that benefits all Tasmanians.

For example, in August 2016, the Minister requested the Board review the Mt Wellington Cable Car Project.

A sub-committee of the Board was formed to review detailed information supplied by the proponent and make an assessment of the financial viability of the project as well as the financial expertise and technical capacity of the proponent to deliver the project.

The Board’s terms of reference also included a preliminary assessment of the extent to which the project might meet the Project of State Significance (POSS) attributes under the State Policies and Projects Act 1993.

The expertise of members of the Board is also utilised to assist in the review and assessment of applications to government programs.

For example, a sub-committee of the Board was convened to review and assess applications to support the Regional Revival Fund which was aimed at unlocking the development potential of major private sector projects.

Financial performance

The Minister for State Growth expects the Board to optimise the portfolio funds under the management of the TDR and to ensure that the portfolio has a return on investment that covers at least the costs of its administration and operating expenses.

The TDR shall pay, from money appropriated from the Consolidated Fund for the purpose, any grant of money; any interest required to be paid in respect of a loan to the TDR; any grant of money made, or subsidy paid, under any other Act; and any other cost of a recurrent nature incurred by the TDR. S.23 of the Act

Where TDR derives any income from any money appropriated for its use or borrowed under s.24 of the Act, TDR shall, unless the Treasurer otherwise directs, pay the amount of that income to the Consolidated Fund.

Borrowings and investment activities

Borrowings should be maintained at a level that is consistent with the overall objectives as advised by the Minister for State Growth from time to time. Borrowing activities are undertaken through TASCORP.

The borrowing capacity of the TDR will be reviewed every quarter by the Board to ensure loans are meeting their objectives.

Reporting and provision of information

A quarterly report on the operations of TDR is to be provided to the portfolio Minister and the Treasurer within 30 days after the end of each of the first three quarters of a financial year. Once approved, a summary of the report is to be published on the TDR website.

Significant developments

The portfolio Minister and the Treasurer are to be kept informed of any matters of significance. Specifically, the portfolio Minister expects the Chair of the Board, the Chief Executive Officer and the Coordinator–General to advise as soon as practicable of any issues that may have an effect on sectors of the economy, impacts and emerging trends.

Director appointment process

The portfolio Minister expects the Board appointment processes align with the Tasmanian Government Board Appointments Guidelines and exemplifies good governance to ensure that appointment processes results in a balance of gender, a diversity of skills in governance, financial capability and industry sector knowledge, and continuity of Board capability to achieve the objectives of the Corporate Plan.

A focus for the Board over the next 12 months is to review skills and capability requirements of Board membership to ensure succession planning in place for current skills and capability mix.

Integrity

In accordance with s.44 of the Act, the Minister for State Growth requires the TDR to keep a register showing details of each director and authorised officer’s shares in any company in which they are have an interest and any other interest in a company that is held.

The portfolio Minister expects the obligations on directors and authorised officers to raise conflicts of interest in accordance with the Board’s Conflict of Interest Policy and s.42 of the Act.
Performance measures

1. Quarterly reports provided to the Minister for State Growth within 30 days after the end of the quarter (as required under s.29G of the Act).

2. Board members attend 80 per cent of scheduled Board meetings. Schedule 2 of the Act states that the Board shall meet on at least 11 occasions in each calendar year.

3. Minutes of Board meetings provided to the Minister for State Growth within 14 days after the day on which the meeting is held (as per s.5 of the Act).

4. Directors and authorised officers provide a register of their respective shareholdings and interests in any company, within 10 business days upon request.

5. Percentage satisfaction measured through feedback received and sought from the portfolio Minister.

Statement of Financial Position

Section 15A(2)(b) of the Tasmanian Development Act 1983 states that the Corporate Plan contain a summary of the projected financial results of TDR in respect of the current financial year and each financial year covered by the plan. This summary will be provided to the Minister as part of the quarterly report provided in accordance with the provisions of S. 29G of the Act. The summary of financial results of TDR in respect of the financial year immediately preceding the current financial year as per s.15A(2)(c) of the Act is provided below.

<table>
<thead>
<tr>
<th>Tasmania Development and Resources</th>
<th>Statement of Financial Position as at 30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>$’000</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>36,534</td>
</tr>
<tr>
<td>Receivables</td>
<td>124</td>
</tr>
<tr>
<td>Loan advances</td>
<td>52,172</td>
</tr>
<tr>
<td>Non–financial assets</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>10,397</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>99,227</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>378</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>67,072</td>
</tr>
<tr>
<td>Attributed employee benefits</td>
<td>58</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>67,565</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td>31,662</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>31,662</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>31,662</td>
</tr>
</tbody>
</table>