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**11 MAY 2018**

Sarah Henderson MP  
Chair  
House of Representatives Standing Committee on Economics  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Chair,

Thank you for your letter of 5 April 2018, inviting the Tasmanian Government to make a submission to the House of Representatives Standing Committee on Economics' inquiry into impediments to business investment in Australia.

The Tasmanian Government supports regulatory frameworks that foster an environment that encourage investment, empowers businesses to invest in new productive capacity and help create jobs.

This includes our commitment to make it easier to do business, invest and support job creation, and we are seeing results. The most recent Sensis Business Index (for the March quarter of 2018) reported Tasmanian small and medium-sized business confidence levels lead the nation at +54 index points. It also reported that they are the most confident about the direction of the economy with the index sitting at +24 points.

Under the National Business Simplification Initiative (NBSI), Tasmania is working alongside other states and territories, and the Australian Government to:

- make it easier to do business with government
- make it easier to get government business
- remove barriers to business growth and innovation.

By working across jurisdictions, the NBSI aims to streamline regulation between different levels of government, and to create a more joined-up experience for business.

Tasmania is currently progressing a work program under the NBSI to map regulations in the state's nature based tourism sector to reduce regulatory duplication and unnecessary burden. For Tasmanian tourism operators, this provides an opportunity for real savings for businesses so they can focus on growing, creating more jobs, developing new products and exploring new market opportunities. With the tourism industry in Tasmania experiencing unrepresented growth and a plan to attract 1.5 million

visitors to the State by 2020, improved business investment in the sector is likely to contribute to economic growth and employment opportunities across the State.

The Tasmanian Government's current work program to make business easier includes the work of the Red Tape Reduction Coordinator; its *Winning Government Business* workshops and online materials; and the Government's procurement Treasurer's Instructions (Buy Local Policy), which encourages the disaggregation of contracts and require the seeking of quotations from local suppliers.

At the COAG Industry and Skills Council meeting on 4 August 2017, it was agreed that making it easier to employ someone is a priority focus area. Work is continuing through that forum to explore the use of trusted networks to provide support for and advice. The Tasmanian Government will support this work, noting our [Business Tasmania](#) service and [Enterprise Centres Tasmania](#) program provide access to free support, advisory, mentoring and information on starting and growing business in the State.

Tasmania's innovation frameworks and initiatives are also an important aspect of the State's vision for economic growth, creation of jobs of the future and diversification of the economy.

Through the Office of the Coordinator-General, which works to attract new major investment and projects to the state, the Tasmanian Government has established Enterprize Tasmania, start-up hubs in Hobart and Launceston, which facilitates engagement between education providers, start-ups, investors, commercial partners and an accelerator program.

The Enterprize hub in Launceston complements the work the Tasmanian Government has been undertaking with the Australian Government and Launceston City Council through the Launceston City Deal, which seeks to further establish Launceston as an innovative, connected and smart city.

The Government has been working to implement commitments in the Deal and further initiatives to encourage innovation opportunities in the city. This includes establishing Australia's first city-wide Internet-of-Things (IoT) LORA network. The Launceston IoT open access network is designed to be a resource point for any organisations, such as councils, start-up companies, businesses, schools and Government departments to develop IoT solutions that power sustainable development and improve the quality of life for the community. The Enterprize hub in Launceston provides a base for the IoT.

Another exciting project underway in the city is the Greater Launceston Transformation Project, a collaborative project to deliver:

- smart city analytics for better educational outcomes
- new 3D virtual city modelling tools for city planning processes
- an innovation framework and hub
- the development of a road map for the city of the future and planning the deployment of smart technology in aged care
- smart emergency response systems.

The Government is also undertaking taxation reforms to encourage investment by small, medium and large scale businesses in Tasmania. Earlier this month, we released our First 100 Day Plan, which includes a commitment to introduce legislation to give effect to a suite of tax reform initiatives. These include extension of the payroll tax rebate scheme for apprentices, new lower payroll tax rate and threshold, and regional business relocation payroll tax holiday, among others.

The Tasmanian Government continues to progress opportunities for energy production and provision in the state.

The Government supports the implementation of a Clean Energy Target or Emissions Intensity Scheme, dependent on the design of any such scheme. As Tasmania has already made the transition to low emissions electricity generation, it is critical in the design of an emissions reduction scheme that existing low emissions assets are appropriately valued.

To help ease significant increases in wholesale electricity prices over recent months, the Government allocated \$20 million in 2017-18 in addition to measures already in place to provide assistance to Tasmanian businesses impacted by the volatility in the National Electricity market. This Energy Rebate for Business initiative applies to businesses that have an unregulated or market contract for the supply of electricity from an authorised electricity retailer in Tasmania.

The government is also supporting the removal of energy impediments to business investment through:

- the Tasmania-first energy policy which aims to deliver secure and reliable electricity supply and lower power prices
- our Energy on Farms policy which commits to investing \$6.25 million over 3 years into renewable energy development on farms.

Tasmania would welcome further discussion and collaboration on how the Australian and Tasmanian governments can work to ensure regulatory frameworks and government policies help to create enabling environment for business investment.

Yours sincerely

Peter Gutwein  
**Minister for State Growth**