

# CUTHBERTSON BROS. PTY. LTD.

A.B.N. 50 009 493 627

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**Postal Address:** PO Box 316 Moonah Tas. 7009

## SUBMISSION TO THE PRODUCTIVITY COMMISSION REVIEW OF TASMANIAN FREIGHT EQUALISATION SCHEME 2006

Cuthbertson Bros. Pty. Ltd. owns a tannery which makes heavy weight leathers for Blundstone Australia Pty. Ltd. Currently Blundstone are leasing the tannery. Cuthbertson Bros. Pty Ltd. provides approximately 1300 heavy weight hides weekly from Tasmanian abattoirs.

Cuthbertson Bros Pty. Ltd. also operates in Launceston, a major modern hide and sheepskin processing business, aimed at export. Apart from the abattoir sheep skin purchases, Cuthbertson Bros offer independent pricing and purchases for all Tasmanian farmers.

The freight equalisation system is of no use to those hides contained in Tasmania and in fact forces up the price per hide because of the mainland purchasing hides and claiming freight equalisation for hides destined for export.

When Cuthbertson Bros export (brine cured hides) we are unable to obtain the subsidy which our competitors claim when purchasing Tasmanian hides.

There are very few export boats out of Tasmanian ports which forces us to trans-ship Melbourne thus then being able to get the freight equalisation.

The sheepskins are similar, no subsidy when exporting to overseas and there are very few sheep skin tanneries left in Australia, most relocating to China.

These problems are not satisfactory for our business and makes us less competitive than we should be. The freight subsidy for live sheep and cattle also affects our business, however in recent times cattle have been coming back into the State to be killed as Tasmanian beef.

### **Remedy:**

To allow all goods for export including when trans-shipping via Melbourne the full subsidy. This would allow all processes to be on an equal footing and would help all the meatworks and Blundstone develop a greater world export market and would put Blundstone on the same footing as all mainland state manufactures, as should be the case.

There is no doubt that Tasmania is at a great disadvantage to other States in Australia for manufacturing.

The alternative, which is not as progressive is to police all claims and see that the claims are not abused by the claimant. This is costly and not progressive.

Regards,

Douglas Dickinson  
Managing Director.