



**MARITIME UNION OF AUSTRALIA (MUA)**

**SUBMISSION TO PRODUCTIVITY COMMISSION  
INQUIRY INTO TASMANIAN FREIGHT SUBSIDY  
ARRANGEMENTS**

**June 2006**

## **Maritime Union of Australia (MUA) Submission to Productivity Commission Inquiry into Tasmanian Freight Subsidy Arrangements**

### **1. Introduction**

- 1.1 The Maritime Union of Australia (MUA) represents workers in the shipping, stevedoring, port services, hydrocarbons and diving industries.
- 1.2 This submission comments on the Tasmanian Freight Equalisation Scheme (TFES) and does not address the Tasmanian Wheat Freight Subsidy Scheme (TWFSS).
- 1.3 The MUA considers that the TFES is a transparent and well targeted transport subsidy mechanism; that its benefits far outweigh its costs and it should therefore be retained, albeit with modifications.

### **2. Objectives of the subsidy arrangements**

- 2.1 We believe the TFES is a transport subsidy scheme and should be considered in that light. We understand this was the clear intention of the Government when the scheme was introduced in 1976. It is important that the Productivity Commission (PC) acknowledge and understand that short sea shipping such as the northern Tasmania to Melbourne route (of less than 500 kilometres) will inevitably produce higher tonne/kilometre costs for shipping than on shipping routes where the capital investment can be amortised or spread over thousands of kilometres. The fact that the route is short does not mean that there are lower costs in construction of wharves, for installation of cranes, or in the costs of efficient ships to undertake the trade.
- 2.2 Government publications advise that the purpose of the scheme is to assist in alleviating the comparative interstate freight cost disadvantage incurred by shippers of eligible non-bulk goods carried between Tasmania and the mainland by sea. Its objective is to provide Tasmanian industries with equal opportunities to compete in mainland markets, recognising that, unlike their mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road or rail.
- 2.3 We consider that arguments about an alleged regional development role are a diversion, and that this proposition should not form a fundamental part of the PC inquiry. To approach an assessment of the TFES on that basis would lead to no other conclusion than its abolition on the basis that there are no other equivalent inter-regional freight subsidy schemes throughout Australia. We believe that this argument may be being promoted by the Department of Transport and Regional Services (DoTARS) because it has both the policy and resourceing responsibility for the TFES. It appears prima facie, that DoTARS believes it can ease pressure on scarce Departmental resources by influencing policy on the TFES. We recommend that the PC reject this argument.
- 2.4 While we note that program expenditure on the TFES appears to have risen substantially since 1998-99 from \$41.8M to \$89.1M in 2004-05, an increase of over 100% in a 6 year period, this increase would need to be analysed against the increase in freight transported over that same period and the overall

contribution to Tasmanian and Victorian economic activity. Regrettably the Centrelink TFES Statistics reports do not show such data. We will be commenting on publicly available TFES data later in this submission. We put the view that the increased economic activity leading to greater utilisation of the TFES has arisen from a range of pro-growth policy settings adopted by the Tasmanian Government.

- 2.5 The fact is that of all the economic centres in Australia, Tasmania is the only centre where industry does not have the full range of transport mode options available to its businesses in dealings with external economic centres. We consider that it will be important for the PC to settle the question of scheme purpose and to develop clear and unambiguous objectives for the scheme. This will be important to enable industries and shippers to plan their investments into the future with certainty. Such an approach will also ensure there is a clear focus in the ongoing administration of the TFES on the freight cost disadvantage.
- 2.6 We are aware that the Ministerial Guidelines which guide officials and users in accessing and administering the TFES have been found to contain loopholes which can apparently be exploited by users. We strongly urge that such loopholes be exposed and rectified to ensure the ongoing credibility of the scheme and to provide a level playing field for all eligible users.
- 2.7 We believe that it would be preferable if the TFES, the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) and the TWFSS operated under legislation and that the guidelines for administering the TFES in particular, and any changes to benefits payable under the TFES, be codified in formal instruments under that legislation. Legislation would also enable the prescription of penalties for abuses of the TFES. However, we recognise that these three schemes, and the TFES in particular, have operated successfully for some 30 years under administrative guidelines and that these arrangements should continue.
- 2.8 Having regard to our comments above, we put the view that the TFES should be retained broadly in its present form, with several significant improvements which we outline in Section 5 of this Submission.

### **3. Freight cost disadvantage and the competitiveness of Bass Strait shipping**

- 3.1 It is the understanding of the MUA that the evidence of Tasmanian stevedoring operators will show that there has been a level of investment in Tasmanian stevedoring, both container and non container, that compares favourably with investment in similar stevedoring operations on the mainland. For example, one stevedore has replaced a total of nine forklifts at an estimated cost of \$750,000 each as well as a total of eight Terbergs at an estimated cost of \$275,000 each. Another stevedore has invested in new forklifts and other equipment for Bell Bay and Burnie, at an estimated cost of over \$1M. Additionally, a stevedore has developed their terminal by investing in self mooring facilities at an estimated cost of \$3-4M. All this investment has occurred in the last 5 or so years. We note that the Engineers Australia 2005 Tasmanian Infrastructure Report Card rates the condition of ports at Burnie, Devonport and Launceston as good, while it says the Hobart port has an

accepted need for maintenance to 40% of berths. The sustainability and asset management of the ports is also rated as good. The report concludes that the rating is consistent with the requirement that generally, only minor improvements are required to Tasmanian ports.

- 3.2 Further, it is our submission that stevedoring productivity at Tasmanian container and Ro-Ro terminals as measured by the crane rate and ship rate (containers) and the trailer rate (Ro-Ro) are at least equivalent to container stevedoring and Ro-Ro productivity at similar ports on the mainland. Data available to the MUA indicates that container stevedoring crane rates averaged over 18 per hour over the past six months. At Tasmanian throughput levels and taking into account the nature of the stevedoring equipment, we say this is an excellent level of productivity. We note that investment in crane technology at some container wharfs would potentially, lift the crane rate considerably. Similarly, the trailer rate of 220 trailers per day and 15 road trailers a day, equating to an average 7,000 tonnes per day, represents a high rate of Ro-Ro productivity performance.
- 3.3 Similarly, we believe the evidence will also show that there has been significant investment in Bass Strait shipping to ensure ships are maintained to world class standards, and are efficient and flexible to meet shipper's needs. For example, Toll Shipping invested heavily in stretching both its vessels, the *Victorian Reliance* and *Tasmanian Achiever* at a cost approximately \$24M. The lengthening of the vessels allowed Toll to increase payload from 310 TUE to 520 TEU equivalent. This investment provided Toll with greater flexibility in load configurations to meet shipper need, thereby considerably increasing shipping efficiency. We believe that the existence of the TFES has provided the shipping industry with the confidence to undertake these large capital investments, which take many years to recuperate. We accept that the use of Ro-Ro ship types used on Bass Strait services may involve some relative inefficiencies in stowage and in land side logistics, but this is offset by the quicker turnaround times achieved through Ro-Ro. What these vessels offer is certainty of service, reliability and flexibility, and provides for optimal use of assets.
- 3.4 Importantly, there is significant competition in Bass Strait shipping. There are four principal and one minor shipping operators servicing Bass Strait. Between them these operators ply eight (8) vessels. The operators are:
- Toll Shipping, which operates a daily coastal service for containerised goods between Burnie and Webb Dock Melbourne (*Victorian Reliance*, *Tasmanian Achiever*);
  - Patrick Shipping, which operates a six day a week container service between Devonport and Webb Dock in Melbourne with one Northbound trip per week calling at King Island en route (*Searoad Mersey*, *Searoad Tamar*);
  - TT-line, which operates two passenger ferries, the providing a daily service between Melbourne and Devonport, with capacity for Ro-Ro freight in addition to its normal passenger/car operations (*Spirit I* and *Spirit II*);
  - ANL, which provides a load-on load-off (Lo-Lo) container service to Appleton Dock in Melbourne from Bell Bay, including a weekly call at Burnie (*Bass Trader*); and
  - Southern Shipping, which provides a service from Flinders Island to Victoria on a needs basis (the remainder of the time it services the freight needs of the

Furneaux Group of islands, operating a scheduled service from Bridport to Flinders Island, with a once monthly call at Cape Barren Island) (*Matthew Flinders*).

- 3.5 It is our understanding that during seasonal downturns, there is a degree overcapacity in Bass Strait shipping.
- 3.6 All these factors strongly suggest that neither the shipping operators nor the stevedoring operators have exercised market power to charge higher freight rates than they would otherwise be able to sustain in the absence of the TFES. It also suggests that there has not been undue profit taking and that there have been levels of investment in Bass Strait shipping and in Tasmanian stevedoring comparable to what would be expected under non-subsidised market conditions.
- 3.7 It is important that the PC fully understand the level of capital investment required in both shipping and in stevedoring, and that this needs to be seen in the context of freight volumes in the Bass Strait trade. Table 1 shows total coastal freight flows, by state of origin. It can be seen that the total Tasmanian freight flow in 2002-03 was approximately 48.8% of WA, 37% of Qld and on par with Victoria. However, Tasmania does not have any international shipping trade, so shippers and stevedores rely totally on the domestic trade to underpin investment.

**Table 1: Coastal Freight Flows 2002-03**

**TABLE 3.2: TOTAL COASTAL FREIGHT FLOWS, 2002–2003**

State of origin	State of destination (kilotonnes)							Total
	NSW	Vic	Qld	SA	WA	Tas	NT	
NSW	166	1 260	631	1 151	241	193	19	3 661
Vic	2 683	152	962	143	505	2 139	0	6 585
Qld	1 969	1 006	12 838	186	73	345	32	16 450
SA	2 341	1 315	611	1 984	357	268	0	6 875
WA	5 603	1 399	1 342	592	3 034	222	331	12 523
Tas	2 025	3 045	97	254	487	209	0	6 117
NT	82	0	3	0	14	369	146	614
Total	14 869	8 177	16 485	4 311	4 711	3 745	528	52 825

Source: Australian port authorities—personal communications

Source: Bureau of Transport and Regional Economics (BTRE), *Australian Sea Freight*

**Table 2: Coastal Freight loaded by pack type 2002-03**

**TABLE 3.6: COASTAL FREIGHT LOADED BY PACK TYPE, 2002–2003**

State of origin	State of destination (kilotonnes)							Total
	NSW	Vic	Qld	SA	WA	Tas	NT	

	Container							
NSW	2	37	86	10	198	25	7	366
Vic	15	0	124	25	310	990	0	1 464
Qld	8	9	82	0	62	5	28	194
SA	0	0	0	0	22	0	0	23
WA	108	94	21	12	56	9	12	313
Tas	6	1 495	3	1	258	14	0	1 777
NT	0	0	0	0	2	0	0	2
Sub Total	139	1 637	316	48	908	1 043	48	4 139

**Source:** Bureau of Transport and Regional Economics (BTRE), *Australian Sea Freight*

- 3.8 In Table 2, the Tasmanian figure of 1,777 kilotonnes needs to be compared with a figure for Sydney (Port Botany) during the same financial year of approximately 12,000 kilotonnes. Clearly, investment strategies will be different given large differences in throughput.
- 3.9 Available evidence shows that freight rates have remained relatively constant in the Bass Strait trade and increases have reflected reasonable cost increases attributable to movements in the CPI, in marine fuel costs and in marine insurance.
- 3.10 The PC Issues Paper refers at P10 to cabotage and related policy restrictions for coastal shipping, asserting that these create inefficiencies that inflate costs relative to other modes of transport. We note that such an assertion is not accompanied by any analysis or detailed reasoning that sustains such an observation.
- 3.11 We note that in the PC report of its Review of National Competition Policy Reforms of February 2005 the PC noted that feedback it received during the consultation period *“.....has strengthened the Commission’s view that a wider review of coastal shipping would have important advantages over a narrower assessment of cabotage restrictions alone. And, while some of the impediments to better outcomes in the industry could be pursued through a self-contained reform program, coastal shipping is an integral component of the national freight transport system. Hence, to ensure that reform efforts in the industry are compatible with achieving competitive neutrality across transport modes, those reforms would be better pursued as part of the nationally coordinated and multi-modal approach to freight transport reform which the Commission is proposing.”*
- 3.12 We note that the PC did not make a specific recommendation on the cabotage issue or on a wider shipping review in its final report on the Review of National Competition Policy Reforms. We also note that the Council of Australian Governments (COAG) has not included a review of cabotage in any of its recent deliberations arising from the PC review of National Competition Policy Reform, nor on the wider issue of coastal shipping. Despite the fact that the PC acknowledged shipping as an integral part of the national freight transport system, it chose not to include shipping in its current review of freight infrastructure pricing. The MUA submission to the PC inquiry of freight infrastructure pricing addresses that omission.

- 3.13 For all the above reasons we strongly argue that this review, focussing only on Tasmanian transport arrangements, is not the appropriate place to examine Australia's cabotage laws. In any case, the role of cabotage law must be viewed in its widest context, going to ship building, ship repair, ship maintenance and ship support services; the integral role it plays in national security; and its role in national defence. Shipping and shipping hardware, and the infrastructure required to operate shipping (like road and rail) are high cost assets which require large capital investments over long timeframes, by both the public and private sectors, and require policy stability to maximise the benefits to the nation and to particular economic centres like Tasmania.
- 3.14 We note that the coastal shipping zone is considered by Government, incorrectly in our view, as a unique and different market to that of the land side zone. For example, different tax, immigration, customs and labour market arrangements apply to certain shipping operators in the coastal zone, relative to the tax, immigration, customs and labour market arrangements that apply on land, even though Australian laws clearly extend to this coastal shipping zone. We believe that Australian law must apply consistently, to the full Constitutional reach of those laws, to all Australian transport modes for the principle of competitive neutrality to operate fairly and consistently.
- 3.15 The labour market is the most glaring example of inequity. We say unequivocally that the coastal shipping zone is part of the Australian labour market. It is not a foreign labour market under any definition. Australian labour laws and a range of other commercial laws are all predicated on the basis that our coastal zone is part of Australia. This is the foundation on which the global principle of cabotage is based.
- 3.16 Given that coastal shipping is within the Australian market, it is an incontestable fact that no other section of the Australian labour force is required to compete with a wages and conditions regime that equates to the country of origin of the workers engaged in that industry or occupation. Whether it be mining, construction or service industry workers, airline pilots, train drivers or truck drivers, a business wishing to engage foreign workers in these industries or occupations must pay Australian wages and conform with Australian employment conditions for that labour. That is, the labour is paid/rewarded in accordance with the standards of the country in which the labour is engaged, not to the standards for wages and conditions of the country of origin of the labour. Coastal shipping as an industry, and seafarers as an occupation, is the exception, in some circumstances, under the current application of Australian cabotage law.
- 3.17 The net effect is that Australian coastal shipping operators, who either register their vessel/s under the *Shipping Registration Act 1981* or licence their vessel/s under Part VI of the *Navigation Act 1912* (Navigation Act) and engage in the coasting trade do not enjoy competitive neutrality with foreign shipping operators whose vessels are issued with a permit under Part VI of the Navigation Act. This is the case even under the PC proposed definition of competitive neutrality (set out in its Issues Paper associated with the review of road and rail infrastructure pricing), because in effect the foreign shipping operator is subsidising its freight rates by cross subsidising the price it charges from its international freight, or alternatively, is basing its freight rates on a

substandard cost structure, particularly substandard labour costs. Australia is a signatory to a number of international labour Conventions which require it to adhere to, and enforce in its waters, the minimum standards in those Conventions.

- 3.18 We say that foreign shipping operators in the coastal shipping zone should be required to comply with the Australian commercial cost structure to ensure that Australian shipping operators face a neutral competitive environment.
- 3.19 We put the view that an analysis of cabotage cannot be based on economic efficiency grounds alone. Any analysis must take account of the national defence, national security, environmental and social impacts, including human rights impacts. If the PC is to argue that cabotage creates inefficiencies in coastal shipping (i.e. that cheap foreign seafarers are more efficient than Australian seafarers) then it must, to be consistent, argue that all economic activity in Australia would be more efficient if Australian firms were only required to pay the lowest international rates of pay for any particular occupation – clearly a ludicrous proposition. To sustain the economic inefficiency of cabotage argument, the PC must first demonstrate that Australia's coastal zone is not a sovereign part of Australia, and that Australia's labour laws therefore do not apply to the coastal zone. It would also need to sustain the argument that economic efficiency equates to the lowest unit labour cost. The fact is that Australia has achieved one of the lowest global ship crew compliment configurations, and has the most flexible ratings since the emergence of the Integrated Rating – a multi skilled rating that it the envy of the world's shipping operators.
- 3.20 We note that the PC referred to its Inquiry into road and rail freight infrastructure pricing in the Issues Paper for this Inquiry. In the MUA submission to the road and rail freight infrastructure pricing Inquiry we put the view that the full costs, including externalities, should be taken into account in determining a transparent and full cost freight pricing framework for transport. If that approach was adopted in Australia, it would inevitably mean that road and rail transport costs would need to have additional factors included, which would further alter the freight cost relativities of road and rail with shipping. We do not believe the application of a full costs approach would increase shipping costs. The net result of a full costs freight pricing model for all transport modes would mean that shipping would be relatively cheaper and therefore the cost disadvantage incurred by Tasmanian producers/shippers would be less, attracting less subsidy per unit of freight. We await with interest the outcome of that PC Inquiry, and the Government's response to its recommendations. We trust that the PC will not be swayed by the political lobbying of the road freight industry, which seems to have a strong mouthpiece in the National Party, influencing the Government to adopt outdated road user charges.

#### **4. Importance of shipping to both economies**

- 4.1 The MUA submits that the TFES has contributed to the maintenance of a healthy and competitive Bass Strait shipping industry. Any significant change to the TFES that resulted in a downturn in Tasmanian economic activity would not only be bad for Tasmania it would also have negative consequences on Bass Strait shipping, on shipping viability and on shipping competition. It is



important to note that a Tasmanian evaluation of the TFES in 2000-01, involving twenty of the major recipient companies of TFES assistance, found that the multiplier effect for jobs was around seven external jobs for every direct employee of a company receiving TFES assistance, meaning that over 32,000 jobs could be linked to the 20 companies involved in the evaluation. Sixty per cent of the companies involved stated that they would not be able to continue operating in Tasmania without TFES assistance. The consequence would be a lessening of shipping competition, to the detriment of consumers, if the TFES was removed or fundamentally altered.

- 4.2 In addition it would impact on shipping and stevedoring employment, as well as employment in related businesses. At present there 340 seafarers (including casuals and passenger vessel type employees on the Spirits) employed in Bass Strait shipping, over 200 stevedoring workers and a large number of port workers and towage workers.
- 4.3 The vessels all require maintenance, repair, servicing, fuel, insurance and management. For example, TT Line arranges for most of its ship maintenance to be undertaken in Tasmania. A company called Paint and Signs, which undertakes work for TT Line recently invested \$300,000 in a crane, a further demonstration of the spin-off investment and economic activity related to shipping. All the vessels bunker in Tasmania. Other shipping related services include discharge of rubbish, deck cleaning, and security services. Most of the food for TT Line is sourced via Tasmanian distributors. Each of these related activities creates employment and economic multipliers. Stevedoring equipment supports a large maintenance workforce such as repairs on forklifts and prime movers – all of which is undertaken by Tasmanian firms. There are spin-offs into legal support, logistics and information technology. Any significant change to the TFES would be felt not just in Tasmania but also in Victoria and elsewhere.

### ***The importance of maritime skills***

- 4.4 In recent years the Australian shipping industry has been living off past investment in training. The failure to provide career employment opportunities, supported by quality training, has meant that as qualified officers and ratings retire, Australia's pool of skilled seafarers is being reduced.
- 4.5 This is not only a problem for current ship operators, and for new operators such as Pan Shipping - it is also creating recruitment problems for port related and shore based maritime businesses, both public and private, which historically have relied on the availability of seagoing officers and ratings moving ashore to fill maritime positions in those businesses. Seafarers gain unique experience and skills whilst at sea. That experience, in turn, is critical for effective pilots, surveyors, cargo planners, harbour masters, ship managers, maritime regulators, and so on. All these functions are required in a country so dependent on sea transport for its economic functioning, and for a sea dependent State such as Tasmania. So acute has the skill shortage become that senior ship officers are now being enticed into shore positions ahead of normal time.

- 4.6 The Australian Shipowners Association said in a recent submission to a Parliamentary Inquiry that whilst the skill shortage is not yet critical, the 'point of no return' may be fast approaching. It notes that the complete answer is not as simple as 'train more seafarers'. Young Australians need encouraging and supported career paths, and the opportunities and operating environment must first exist to encourage those opportunities. This point reinforces the need for a healthy domestic maritime industry.
- 4.7 Given Tasmania's unique maritime position, and the fact that it is the location of Australia's only dedicated maritime training facility in the Australian Maritime College, there are maritime skill and maritime training opportunities that can be enhanced by a healthy Bass Strait shipping industry.
- 4.8 Policy approaches that would result in a decline Bass Strait shipping would lead to a decline in maritime skills, and as a consequence, a deterioration of the entire merchant maritime industry – including design, maintenance, repair, shipbuilding, tourism and recreational shipping and associated services such as insurance, legal services, logistics etc.

## 5. Changes required to TFES

- 5.1 The MUA is strongly in favour of retention of the TFES. We nevertheless believe that there are inequities in the TFES that require resolution and that the PC should address these inequities in its report.
- 5.2 The principal inequity appears to be the illogical constraint that the TFES only applies to commodities travelling north for domestic consumption, and only then to specified commodities. Given that we say the TFES is a transport costs equalisation scheme, we believe that those producers/suppliers of commodities bound for export through northern ports should have the same price disadvantage support as those firms supplying the domestic market. Those producers/suppliers are, like producers/suppliers of the domestic market, limited to one principal transport mode to move their products to the mainland to link into international supply chains and should have this disadvantaged equalised on the same basis as producers/suppliers of the domestic market.
- 5.3 If application of the TFES to producers/suppliers of export commodities is viewed as a substitute for, or an equivalence to, the support that Governments provide for national transport infrastructure (as for example provided under the Auslink Program and other programs under the National Land Transport Funding Program) then this debunks any possible argument that Australia's export competitors can make that such application of the TFES amounts to an export subsidy. We note that the Australian Transport Council identified seven categories for freight corridors of national significance that should be eligible for Auslink funding, namely:
- Linkages of State/Territory capitals;
  - Economic regions to international ports and airports;
  - Major regional centres to international ports and airports;
  - Major economic regions within or between states;
  - Major regional centres within or between states;
  - Major intermodal terminals with international ports and airports; and

- Freight task or role in the supply chain.
- 5.4 A second inequity relates to south bound products. We believe the TFES should be available to all domestic suppliers/producers of products bound for Tasmania, because, once again all such suppliers/producers have only one principal transport mode available to them, and should have the equalisation principle applied as it does now to suppliers of inputs to Tasmanian businesses exporting to the mainland.
  - 5.5 We say that unless both these inequities are addressed under the TFES, then the principles of competitive neutrality is not being applied consistently to Bass Strait economic activity dependent on physical transportation for its functioning. We put the view however, that the TFES should remain targeted to producers, as they are best placed to translate the economic benefits of the subsidy into productive and wealth generation activity. To provide the benefit indirectly to producers would in our view take away the dynamic of the TFES.
  - 5.6 It is the view of the MUA that an enhanced scope and accessibility to the TFES would generate substantial increases in economic activity across Bass Strait, which would benefit not only the Tasmanian economy but the entire Australian economy. The increase in economic activity would result in additional investment in shipping and in stevedoring as well as in intermodal facilities, and an evening out of the current seasonal under capacity in shipping. This would have the effect of increasing shipping and stevedoring competition, provide further drivers for investment in efficiency producing shipping and stevedoring assets, and would ultimately put downward pressure on shipping and stevedoring costs.
  - 5.7 Provided the TFES is structured in such a way that the benefits available are sensitive to fluctuations or trends in sea freight rates then we believe the costs to Government will be minimised, and will be more than offset by gains in taxation, employment and the contribution of the Tasmanian economy to national economic growth.
  - 5.8 We believe the PC will need to undertake economic modelling to demonstrate this effect, and to use that modelling to set the parameters for the TFES benefits structure.

## **6. TFES data**

- 6.1 The MUA believes that there should be greater transparency in the operation of the TFES, and to that extent the data that is publicly available should be significantly enhanced. While we are grateful to Centrelink for providing annual statistics, there are weaknesses in the data set made available by Centrelink.
- 6.2 First, there is no year on year or trend data on key variables such as freight shipped under the TFES.
- 6.3 Secondly, there is insufficient data on the firms who are accessing the scheme. We believe that as well as a top 10 commodity indicator, there should be a top 20 (or so) firm or business user indicator. We would also wish to see the relationship of employment to firms accessing the scheme so an

analysis can be made of the employment linkages to the scheme beneficiaries. That is, we believe the top 20 (or so) user firms should provide employment data, and such data should be publicly available.

- 6.4 We would also wish to see indicators that provide an overview of the significance of the TFES to the Tasmanian economy.
- 6.5 As most of this data is already collected, or available, we believe it should be published in the interests of transparency. Transparency in our view is an important feature of accountability, and accountability is required to maintain public confidence in the use of targeted Government assistance programs such as the TFES.