

Treasurer

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Competition Policy Review Secretariat  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Professor Harper

***Competition Policy Review Issues Paper***

The Tasmanian Government recognises that Australia's economic prosperity relies to a very large extent on competitive markets that encourage innovation, efficiency in production and distribution and lower overall prices to customers. On behalf of the Tasmanian Government, I am pleased to provide this submission to the Competition Policy Review.

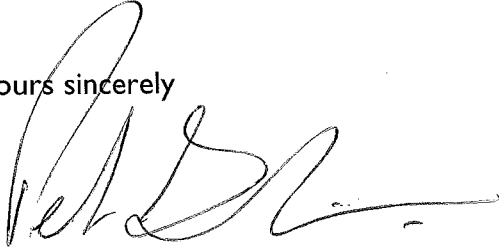
The Issues Paper has raised some issues regarding the application of Part IV of the *Competition and Consumer Act 2010*. This includes the secondary boycott provisions and the exemption from these provisions in cases where the dominant purpose of activities by persons or organisations relates to environmental protection.

The Government is concerned that persons representing some environmental organisations engage in activities that either hinder or prevent Tasmanian businesses in the forest and forest products industry from undertaking their lawful commercial operations, or in activities which result in severe commercial damage. These activities may include protest activities in forests and in locations such as ports, which disrupt the production and transportation of forestry products, and campaigns involving false or exaggerated claims designed to reduce or cease the sales of certain products from Tasmanian forests, or to put pressure on businesses such as banks to not support certain forestry-related projects in the State. Other industries, such as mining and fisheries may also be subject to such activities. It is difficult and costly for affected businesses to respond effectively to these activities before significant commercial damage is inflicted.

It is the Government's opinion that the provisions of the Competition and Consumer Act relating to secondary boycotts which provide an exemption for environment-related activities do not further the objectives of the Act. The outcome has been that large and small businesses in an important industry in Tasmania have been unfairly affected, which is both inequitable and damaging to the economic growth prospects for the State. The Government therefore recommends that the Panel include in its recommendations the removal of the exemption from the secondary boycott provisions that relates to environmental protection.

The states and territories have an important role in competition policy and the implementation of agreed reforms. Their role was essential in achieving the very significant outcomes under National Competition Policy. A key element was the payment system that allowed some of the fiscal benefits of the reforms to be fairly shared across all jurisdictions. This payment system played a significant role in supporting the implementation of the reforms across Australia. The Tasmanian Government recommends that the Review Panel consider how such a model could be developed to support the implementation of the competition policy reforms that arise from the Review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Gutwein', with a long horizontal flourish extending to the right.

Hon Peter Gutwein MP  
**Treasurer**