

“In Support of Progress” Newsletter

In this issue

Dividend policy

Simplot

Election Statistics

Date: 11 June 2013

Dividend Policy

In the last issue I referred to the role of the Economic Regulator. In fact, I should have referred to the Energy Regulator. The former is a Tasmanian position, the latter an Australia-wide one. Over time powers have been transferred from the former to the latter.

I also referred to the need to encourage more power-using enterprises to the state. In that regard, the news that Grange Resources is transferring its head office from Perth WA to Burnie is a most welcome development. It is also pleasing to see the Longreach mill once again producing export woodchip from plantation material.

And as if on cue, the *Save the Tarkine* mob have placed another injunction, this time on Venture Minerals, for its proposed mine development in the region, members of the *Huon Valley Environment Centre* are back protesting in forest coupes, and Peg Putt from *Markets for Change* are threatening retribution on the chip export. Tell me you are surprised!

Simplot

Just as newsworthy, but nowhere near as welcome, is that Simplot is considering closing its doors at Devonport. Rising costs and cheap imports are said to be the cause. Value-adding agricultural products is under considerable pressure, and I alluded to this in a previous newsletter (see Newsletter 1311).

The Opposition has just returned from visiting the company's HQ in Melbourne, stating Federal and State assistance is required. But is it? What assistance exactly? For what? A handout? It has to be more than a band-aid approach.

To say that we have a sustainable competitive advantage just because we can grow stuff is myopic. A comparison of costs with our nearest neighbor New Zealand (see *eg report from Davey and Maynard 2011 on this matter – download from website*) emphasizes the point, that in order to resolve these matters we need to consider costs throughout the entire supply chain, from costs to the farmer to produce product – including very high compliance costs - to the harvester for harvesting product, to the processor for processing product, and to the distributor for getting product onto the shelves.

If government policy is to be directed to the concept of Tasmania being a food-basket, and money spent on achieving it, then it is also incumbent on government to be on top of all of these factors. Presumably, the Government has a role and responsibility to ensure it knows what exactly is going on here. It should have. And it should update itself regularly. See *eg http://adl.brs.gov.au/data/warehouse/pe_A20110928.01/CP11.21_RegionalLauncest_on_2011.1.0.0.pdf*

If there are gaps in its current knowledge, and it would appear there might be, then it is incumbent on it to get to grips with this, and fast. Its Economic Development Plan should be its vehicle for action. A Plan without action is just a piece of paper.

Election Statistics

Later this week, once the latest employment figures are released, the latest statistics pack will be distributed. One of the sheets of updated data will contain the latest EMRS poll. The results of the EMRS poll regarding voting intentions at the next State election will be of interest in that it suggests the Opposition may not have an easy ride onto the Treasury benches after all.

As can be seen, the result of the poll shows a very large and continuing "undecided" vote. The results (as a %) were as follows:

	ALP	Liberal	Green	Other	Undecided
Feb 2013	17	46	15	3	20
May 2013	19	40	9	2	30

For those interested in an electorate by analysis of the poll, not provided by EMRS, the work done by Kevin Bonham may be of interest. He predicts a Liberal win by as close as one seat, but it is very close (see table below). But it is no cakewalk.

Elections are pretty much determined by who wins the fifth seat in each electorate, and this can be achieved without a quota, due to exhaust. Even a minor swing back to the government – a not unlikely scenario – and it could be "back to the future". Some talk of Lyons, for example, shifting to a 2 2 1.

	Bass	Braddon	Denison	Franklin	Lyons	
ALP	27.3	33.8	36.1	37.3	35	34
LIB	61.5	60.4	44.8	47.6	55.2	54
GRN	11.2	5.8	19.2	15.1	9.6	12
			Quotas			
ALP	1.64	2.03	2.17	2.24	2.1	
LIB	3.69	3.62	2.69	2.86	3.31	
GRN	0.67	0.35	1.15	0.91	0.58	
		Seats	Very	Likely		TOTAL
ALP	1	2	2	2	2	9
LIB	3	3	2	2	3	13
GRN	0	0	1	1	0	2
		Unclear	Possible	Seats		TOTAL
poss ALP	1	0	0	0	0	1
poss LIB	1	0	0	0	0	1
poss GRN	1	0	0	0	0	1

You can find his detailed analysis on the following link:

<http://kevinbonham.blogspot.com.au/2013/05/emrs-greens-hit-new-low.html>

And finally, an oops!

In the last issue I also referred back to copy 1304, regarding further detail on Aurora – it should have read 1306.



This newsletter is supported by Tasman Management Services.

Further information is provided at www.julianamos.com.au

Disclaimer: All details in this Newsletter are the opinion of Julian Amos. Should you wish to stop receiving this email you can visit the website and press "unsubscribe" in the newsletter menu.