RDA Tasmania
Regional Plan 2013–14

Prepared for:
RDA Tasmania Committee and
Department of Regional Australia
July 2013
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1. **Message from the RDA Chair**

This last year has seen continued challenges for the Tasmanian economy, with growing unemployment and uncertainty around the future of traditional industries. Nevertheless, Tasmania has the capacity to leverage our wonderful natural resources and emerging innovation and resourcefulness to grow our economy and prosper. The RDA Tasmania committee has played an important role in linking the tiers of government, industry and community across the region, facilitating collaboration and driving regional solutions.

It is pleasing to see the value of the role of RDA Tasmania continue to build and be an intrinsic part of regional development in our island state. RDA Tasmania plays a part in all key decision making including representation on the State Government Regional Reference Groups and the Economic Diversification Task Force for Tasmania advising on the strategic direction for the $100 million of Forestry Intergovernmental Agreement Economic Diversification Funds.

We have a role in both the industry and government committees considering the challenges with freight and export; and a coordination function in the Australian Government community development projects in Burnie. In addition to this core focus, staff and committee members are involved in a myriad of other projects and organisations spread across the diversity of this region.

I invite readers of this plan to use and distribute the regional profile summaries and provide feedback to RDA Tasmania on our focus and priorities. As Australia’s only island state we have many unique advantages and challenges. Harnessing our efforts moving forward is the road by which we can fulfil our potential.

**Mr Tom Black**
Chairman
2. Executive Summary

Purpose

The RDA Tasmania Regional Plan is reviewed annually to update profiling information and revise RDA Tasmania’s strategic direction and regional priorities. Draft priorities are shared with a wide range of stakeholders to invite input and this feedback is incorporated throughout the drafting process.

Five broad priorities have been identified by RDA Tasmania to focus project work and provide context and direction. These priorities reflect the RDA Tasmania committee’s view of the key challenges for the region as reflected by the profile and statistical overview. Tasmania currently records social and economic outcomes well below the national average. A more robust and growing economy with increased employment opportunities will create associated community benefits and improved social outcomes.

A core strength of RDA Tasmania is the ability to work with all levels of government and the diverse communities that make up our region. Education and health outcomes are seen as priorities due to the low statistical outcomes the state records and the importance of these aspects on long term community health and prosperity. RDA Tasmania has a limited ability to directly influence these health and educational outcomes, but have defined them as core priorities due to their importance.

RDA Tasmania Priorities

2013 - 2014

• Expand and grow economic activity in Tasmania
• Increase collaboration and efficiencies between federal, state and local government
• Improve literacy, numeracy and education levels within the Tasmanian community
• Facilitate place-based solutions for local communities and economic diversification
• Address the needs of Tasmania’s changing demographics and health profile

Information throughout this document is ordered under the four key headings of:

1. Human capital;
2. Sustainable communities and population growth;
3. Access to international, national and regional markets; and
4. Comparative advantage and business competitiveness.
RDA Tasmania in 2013-14
The RDA Tasmania Regional Plan 2013-14 will focus strongly on the factors that influence the health and success of the economy. An analysis of the region, including stakeholder feedback, has found that Tasmania’s slow economic performance is affecting all communities. There isn’t one solution to this, instead the regions must work together to improve decision making and address the region’s capacity to improve economic outcomes.

Key issues and strengths

Economy
Tasmania continues to record below average outcomes in key economic determinants such as employment, skills and education, and economic growth. Our community is divided in its support for economic projects and being an island presents challenges in freight and transportation which are being currently reviewed by industry and government to maximise efficiencies and infrastructure use. Without business investment and growth, the State is highly dependent on government funding and administration.

Growth in employment opportunities will retain and attract talented people and enable wealth creation and distribution across the community.

Population
Tasmania's population is ageing more rapidly than any other state in Australia. Increasing growth in population in other parts of the country could result in Tasmania holding a lower per cent share of the country’s population over time. However, our enviable lifestyle is attracting attention and could draw more people to reside in the region, particularly with the support of high speed broadband and the availability of flights in and out of the state.

Tasmania as a region is highly diverse, incorporating our capital city, other major urban centres and rural communities, through to the sparsely populated south west wilderness. Like many other regions across Australia, Tasmania is experiencing a migration of the existing population into urban centres. Local and state government are partnering to streamline and modernise planning and regulation.

Natural Assets
Our strengths lie in our natural assets including the availability of clean energy and water for agricultural expansion. Tasmania’s primary production sectors including agriculture, dairy, horticulture, viticulture and aquaculture are supporting growth in the Tasmanian economy.

Art and Culture
Tourism is growing, despite a high Australian dollar and the success of MONA in the southern region and seasonal festivals, supported by record passenger airflights in and out of the state, are evidence of changing appreciation and support for Tasmania’s growing arts and cultural reputation.
**Government Investment and Stimulus**

Tasmania has the benefit of commitments of infrastructure investment by Commonwealth and State Governments including a major $400 million Midlands Highway upgrade and $100 million of economic diversification funding through the Tasmania Forestry Inter-Governmental Agreement. The Hobart International Airport will be expanded with a $38 million upgrade and an additional $24 million will establish a new Centre for Antarctic and Southern Ocean Research.

The economic stimulus these projects provide to the civil construction sector will have flow-on effects to the wider economy and community in the region.

A "Joint Commonwealth and Tasmanian Economic Council" will be established that will include the Prime Minister, Treasurer and representatives of Tasmanian business and the State Government. In addition, a jobs program providing payment to Tasmanian businesses that hire long term unemployed job seekers will support increased employment opportunities in the region.

**Challenges**

Community division over major economic investment projects and industry growth is a constraint and creates discord not only at a personal and community level, but also is a disincentive to business. Government, industry and community all have a part to play in meeting the local challenges of providing employment and economic prosperity, balanced with lifestyle and sustainability values.

RDA Tasmania activities for 2013-14 will include facilitating greater dialogue between stakeholders involved in economic development, education and skills, research and innovation, place based solutions and health. Projects that contribute towards addressing this plan’s priorities will be supported by the Committee and RDA Tasmania staff.

**Key message**

Collaboration between tiers of government, industry and community is the key to achieving a common understanding of regional issues and tailoring effective solutions. Partnerships are critical to the success of regional development efforts, as is a focus on place and valuing the unique aspects of every region and community.

RDA Tasmania is in the unique position of being a neutral organisation with relationships at every level of government as well as community and industry. We are able to utilise these relationships to facilitate dialogue and engagement with stakeholders, and help to identify gaps and duplication in existing services and policy.
3. Vision for the region

RDA Tasmania's vision for Tasmania is:

To create an inclusive Tasmania centred on a strong and sustainable economy and environment.

RDA Tasmania's vision is broad to encompass the diversity of our state and reflect the core pillars community, economy and environment. Committee members have deliberated on and modified the vision to simplify the message and encompass aspirations for the future. Stakeholders have provided comment and feedback which has been incorporated into the final vision statement.

The following planning documents inform this Regional Plan and represent visions for the region which are of relevance to RDA Tasmania.

Tasmania:

Tasmanian Economic Development Plan Vision
Tasmania is a small, beautiful and remote part of the world with unique features and rich natural resources that the world increasingly values. The Economic Development Plan centres on making the most of Tasmania’s assets to secure prosperity and jobs.

Southern Tasmania:

Southern Regional Economic Development Plan
By 2021, all those living in southern Tasmania will enjoy a standard of living and quality of life that:

- are founded on prosperity, wellbeing and self-reliance
- reflect the value of our natural, social and cultural environs
- respect the places in which we live and resources on which we depend
- enhance the lives of generations to follow.
Hobart Capital City Plan
Hobart will be a vibrant, dynamic and attractive city, a globally connected place that fosters cultural expression, innovation and growth, and which provides a liveable, sustainable and prosperous lifestyle.

North West Tasmania:

Cradle Coast Authority Vision
A strong region of councils known for its positive people, sustainable economy, strategic thinking and the wellbeing of its communities.

North West Regional Economic Development Plan
Economic development in the north west region that supports sustainable economic opportunities and lifestyles.

Northern Tasmania:

Northern Tasmania Development Board
Our Vision for Northern Tasmania is to strengthen the region’s capacity, position and role, as one of Australia’s most productive, sustainable and liveable areas.

Northern Regional Economic Development Plan
Economic development in the northern region will enable inclusive and resilient communities to thrive, grow and prosper as we build a vibrant region of diverse industries, based on our natural resources and unique opportunities.
4. Role of the RDA

Regional Development Australia (RDA) is an Australian Government initiative established to encourage partnership between all levels of government to enhance the growth and development of Australia's regional communities. RDA committees operate under a national RDA Charter and report to the Australian Government on key outcomes. A national network of 55 RDA committees has been established and RDA Tasmania represents the entire state of Tasmania.

RDA Tasmania is a not-for-profit organisation that has a formal partnership between the Australian Government, Tasmanian Government, and the Local Government Association of Tasmania (LGAT). A key focus of RDA Tasmania is the economic, social and environmental issues affecting communities.

Committee members of RDA Tasmania are committed volunteers who have been chosen by the Australian Government due to their understanding of, and experience in, a range of areas including their professional and industry background, community networks, skills and experience.

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<thead>
<tr>
<th>Committee Members</th>
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<tbody>
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The purpose of this Regional Plan is to clearly state RDA Tasmania's priorities in the context of the state and Australian Government policy landscape and the profile of Tasmania as a region. Priorities are informed through the statistical data in the regional profile (Attachment One), Australian and State Government policy imperatives and stakeholder consultation. The Australian
Government will refer to the Plan to inform policy development, as well as support decision making and investment in the region.

Building a comprehensive picture of local economic and social conditions is an integral part of regional economic development planning. It is important that priorities and activities are supported by statistical evidence, coupled with a sound understanding of local conditions. RDA Tasmania committee members are representative of this diverse region and the organisation’s priorities and activities have been developed and informed by the committee with input from stakeholders.

In addition to this Regional Plan, RDA Tasmania has an annual Business Plan that outlines internal actions, goals and measures that relate back to the priorities. At regular meetings, committee members are invited to provide feedback on staff project activities and to participate further outside of formal meeting times.
5. Analysis of the region

This analysis of the region has been developed in reference to; Attachment 1 – Regional Profile, and; Attachment 2 – Stakeholder Consultation and Partnerships. The Regional Profile in Attachment 1 is a comprehensive summary of the statistics and data that define our region. The analysis includes issues which are not within Regional Development Australia Tasmania’s direct influence but which are significant to the region.

Regional strengths, opportunities, needs and challenges have been identified in relation to:

- Human capital
- Sustainable (economic, environmental and social) communities and population growth
- Access to international, national and regional markets, and
- Comparative advantage and business competitiveness

5.1 Human capital

Strengths and Opportunities

Educational attainment is improving with more people completing Year 12 and at a rate higher than the national average\(^1\). The State Minister for Education released an Action Plan in 2013 for increasing school retention in regional areas. The Tasmanian education system has undergone significant reform over the last five years and the new a TasTAFE will cater for all public vocational education and training needs. Tasmania is the fourth state to sign up to the National Education Reform Agreement (Gonski), securing more than $380 million in extra funding for its state schools under the Government’s Better Schools Plan.

The University of Tasmania (UTAS) is the only university in the state and several world-class research and educational institutions are based in Tasmania, including the Menzies Centre; CSIRO Marine and Atmospheric Research Centre; Antarctic Climate and Ecosystems Cooperative Research Centre;; the Australian Maritime College; the Australasian Furnishing Research and Development Institute; and the Australian Antarctic Division\(^2\).

Needs and Challenges

The Department of Education, Employment and Workplace Relations’ (DEEWR) Regional Education, Skills and Jobs (RESJ) Plan for Tasmania 2012-2014 reflects community priorities and includes goals and local strategies to achieve the community’s objectives, based on four key themes: early childhood education and care; school education; tertiary education and training; and jobs, skills and workforce development.

The plan builds on the range of services and programs already offered by DEEWR and the strategies draw on the programs of other government agencies. The Tasmania RESJ Plan complements the existing goals and strategies of the RDA Plan. DEEWR have identified the

\(^1\)Source ABS 6227.0 Education and Work, Australia, May 2012

\(^2\)http://www.development.tas.gov.au/__data/assets/pdf_file/0007/46996/Industry_Summary_science_and_research_Update.pdf
following challenges for the region:

- An ageing population
- Lower levels of literacy
- Lower levels of Year 10 and Year 12 completion
- A lower percentage of the population with tertiary qualifications
- High levels of unemployment and low participation rates
- Reliance on a small number of industries, some of which are undergoing restructure which is resulting in entrenchments
- Transportation

The largest employing industries are: construction; education and training; health care and social assistance; manufacturing; and retail. The state’s reliance on the manufacturing, construction and retail industries is challenging as those industries are vulnerable to downturns in the economy. DEEWR data shows that national employment in the health care and social assistance and construction industries is expected to grow, while employment in the agriculture, forestry and fishing and manufacturing industries, which account for a large share of Tasmania’s economy, is expected to decrease. This creates a significant challenge for the development and deployment of human capital in the region.

The Tasmanian Government closed or amalgamated 25 schools in the five years to 2011 and is considering recommendations from 2012’s School Viability Reference Group Report. The Adult Literacy Action Plan 2010-2015 provides a framework to address low literacy and numeracy outcomes in Tasmania.

Tasmania has a low level of economic diversity, when compared to the national average, and jobs in the future will require workers with higher level skills than are currently necessary.

5.2 Sustainable communities and population growth:

Economic - Strengths and Opportunities
The region is uniting to deliver a state economic development plan and three regional economic development plans aimed at providing economic stimulus and sustainability. Priority sectors are recognised in the Regional Economic Development Plans as those with the potential to make the most of Tasmania’s competitive advantages. The priority sectors have flow-on effects into major employment sectors including retail and the service sectors.

Economic - Needs and Challenges
The Tasmanian economy displays slow or no growth and the participation rate has declined and continues to be below the current national participation rate. The unemployment rate as at June 2013 was 8.1 percent, compared to a national rate of 5.7 per cent. The Tasmanian Government’s
information paper on Structural Change in the Tasmanian economy summarises the issues as:

- Tasmania has been largely detached from the resource boom,
- few industries benefiting from growth in Asian markets,
- strong Australian dollar reduced the competitiveness of Tasmanian exports,
- commodity prices falling,
- low consumer and business confidence,
- weak retail and construction sectors,
- reduced State Government GST receipts,
- decreased private investment,
- reduced public spending,
- forestry in decline,
- high unemployment and overall decrease in aggregate hours worked,
- net out-migration and population stagnation.

Forestry is one of the most recognised Tasmanian industries and also the industry experiencing the most profound structural change. The forestry industry has shed 3,500 jobs in recent years with regional communities most impacted.

**Environmental - Strengths and Opportunities**

Tasmania’s reputation as a ‘Clean Green State’ offers opportunities for the region including being a leader in renewable energy and emerging markets in carbon with the majority of its energy derived from renewable sources. Tasmania has abundant water and a climate that supports a diversity of agricultural production and has some of the world’s most stringent quarantine regulations. There is a moratorium on the use of Genetically Modified crops until 2014 to ensure that Tasmania’s status as a producer of safe, high quality produce is preserved.

The SenseT network is expanding sensor networks in agriculture and horticulture to enable better data collection and management in areas of pest control, fertiliser applications and soil management.

**Environmental - Needs and Challenges**

Despite an agreement being reached between key industry and environmental stakeholders, unrest and protesting still continues against the activities of the forestry industry in which Tasmania has a comparative advantage. Fifty per cent of Tasmania is under forest cover and twenty-five percent of land is protected inside reserves such as national parks.

International trade negotiations and federal government policy to increase consistency in bio-security is putting pressure on Tasmania being able to retain its unique quarantine requirements and associated industry advantage.

**Social - Strengths and Opportunities**

Tasmania is a remarkably liveable place with recent accolades including Launceston’s designation as Australia’s most family friendly city and Hobart’s becoming the travel guide Lonely Planet’s
Although numbers of settling migrants are below the national average, there exists an opportunity to increase migration and international education in the state.

State and local Government have made progress on planning reform and have produced three Regional Land Use Strategies. Urban planning reform includes the Greater Launceston Plan, the Capital City Plan and Devonport's Living Cities initiative.

The health of Tasmania is improving with longer life expectancy and generally good self-reported health. Tasmania achieved its best ever results in participation levels for sport, recreation and physical activity during 2011/12, showing a regular participation rate above the national average.

Opportunities to improve the health of the region include: A State Policy for Healthy Community Design; the UTAS Northern Health Initiative; the National Partnership Agreement on Preventative Health; and the new Tasmania Medicare Local.

**Social - Needs and Challenges**

Weekly household and personal income in Tasmania is below the Australian median and one third of Tasmanian households’ main source of income is from government pensions and allowances. Ten per cent of Tasmanians live below the poverty line.

Tasmania is characterised by a dispersed population in low density settlements. Tasmania had the highest proportion of the population residing outside of its greater capital city (58%) of any state, with low levels of population growth and industrial development forecast. Beyond the urban communities, population decline in regional and remote areas has put pressure on the viability of service provision such as education and infrastructure.

Across most health measures Tasmania performs worse than all other states and territories except the Northern Territory. However, when compared to regional Australia rather than metropolitan areas, Tasmania is on a par.

**Population - Strengths and Opportunities**

Tasmania has a relatively small, ageing and regionally dispersed population. Compared to national trends, Tasmania is a region without growth pressures of an increasing population with resulting infrastructure and capacity constraints. The population demographic is relatively consistent and employers in the State have the benefit of a loyal and stable workforce.

**Population - Needs and Challenges**

The national population grew fifteen times the rate for Tasmania in the year to September 2012, with the State continuing to have an almost static population of just over half a million people, with an increasing net outflow of interstate migration.

Tasmania's population is ageing more quickly than any other state. Half of Tasmania’s population was 40 or over in 2011, and in some local government areas, half the residents are aged 50 years and over.
The number of 60 to 65 year olds is increasing and Tasmania has a lower proportion of people aged 20 to 44 years than the national average.

## 5.3 Access to international, national and regional markets:

### Strengths and Opportunities

Despite a high Australian dollar and freight challenges, Tasmanian exports increased in 2011-2012. Mainland China remains as Tasmania’s largest export market with over $735 million in exports.

Air and sea access is integral to tourism and the broader economy. Around 89 per cent of all visitors to Tasmania travelled by air as at June 2013 and a record 2 million passengers passed through Hobart’s airport during the 12 months to June 2013.

Tasmania has the benefit of commitments of infrastructure investment by Commonwealth and State Governments including a major $400 million Midlands Highway upgrade and a $38 million upgrade to expand the Hobart International Airport. The new Brighton Transport Hub is a modern road-rail facility and freight distribution hub to enable freight goods to be seamlessly transferred between road transport and rail and enable efficient movement of freight between southern and northern Tasmania’s ports. Freight activities are moving from Macquarie Wharf on Hobart’s waterfront to the Brighton Hub, allowing the redevelopment of this large tract of land close to the capital city Central Business District (CBD).

In addition to the investment in freight and transport efficiencies, two further infrastructure projects are enhancing Tasmania’s access to markets:

- Irrigation - increases output and extends the periods when regional produce goes to its markets;
- National Broadband Network – it is planned that, by 2015, Tasmania will be the first fully connected state and has already begun to leverage from the benefits of high speed broadband.

### Needs and Challenges

Creating efficiencies in freight forwarding and logistics remains one of the biggest challenges for Tasmania. The federally funded Freight Logistics Co-Ordination Team, consisting of industry representatives and transport and logistics specialists, will release its preliminary findings in late 2013 with recommendations to the State and Federal Governments in regard to Bass Strait Shipping.

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16 Trends - The Tasmanian Labour Market Review August 2012
17 Australian Bureau of Statistics Merchandise Exports, Tasmania 2011-2012 (Source Intl Trade in Goods and Services Australia)
20 www.nbnco.com.au
By 2020, it is predicted that there will be capacity constraints at the major northern ports without further infrastructure investment. Within the Hobart ports precinct, strategic investment in infrastructure will generate economic benefits from servicing Antarctic vessels and expanding the successful cruise ship market.\textsuperscript{21}

5.4 Comparative advantage and business competitiveness

Strengths and Opportunities

The Tasmanian Government’s Economic Development Plan provides a clear direction for the region’s economic development priorities\textsuperscript{22}. Three regional plans identify priority sectors that have the ability to export to off-island markets, attract investment, are most likely to benefit from focussed State Government attention, and are connect to opportunities in the Asian Century. The priority sectors are:

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<td>Advanced manufacturing</td>
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<td>Food and agriculture:</td>
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<td>Poppy</td>
<td>Red meat</td>
<td>Poppy</td>
</tr>
<tr>
<td>Red and white meat</td>
<td>Vegetables</td>
<td>Salmonid</td>
</tr>
<tr>
<td>Salmonid</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Forestry and related products</td>
<td>Forestry and related products</td>
<td>Forestry and related products</td>
</tr>
<tr>
<td>Mining and mineral processing</td>
<td>Mining and mineral processing</td>
<td>International education</td>
</tr>
<tr>
<td>Tourism</td>
<td>Tourism</td>
<td>Science research</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tourism</td>
</tr>
</tbody>
</table>

Tasmania has the capability to produce a range of high quality products, services and experiences due to the region’s inherent and acquired strengths including:

- People – High levels of social and professional connectivity, a skilled and available workforce, good access to tertiary education and specialised research.
- Place - Tasmania receives nearly 13 per cent of Australia’s annual rainfall and has strict biosecurity controls, favourable conditions for farming, a celebrated natural environment, well preserved built heritage, and short distances between population areas.
- Business competitiveness and innovation – Tasmania has a business environment conducive to investment, and a history of industry innovation with current examples including Sense T, advanced manufacturing and clean energy generation.
- Clusters – Established industry clusters for; advanced manufacturing, metal processing,
Antarctic research, marine manufacturing, and sparkling wine.

- Dynamic Business Environment – due to its size Tasmania can adapt quickly to market demand and changing need. This is most evident in the primary production sector that includes the aquaculture, agriculture and horticulture sectors.

**Strengths and Opportunities – tourism, events and the arts and cultural industries**

Arts, creative industries, sport and recreation are significant contributors to the regional economy.

Tasmania has a range of world-class facilities and programs including; the Theatre Royal of Hobart, the Tasmanian Symphony Orchestra, Tasmanian Museum and Art Gallery in Hobart and the Queen Victoria Museum and Art Gallery in Launceston, the Museum of Old and New Art (MONA), and the Salamanca Art Centre.

The University of Tasmania has received Commonwealth funding to develop an Academy of Creative Industries and Performing Arts in Hobart. Tasmania is host to national and international festivals, including, 10 Days on the Island, MONA FOMA and Dark MOFO, Junction and the Tasmanian Arts and Craft Fair and the Wooden Boat Festival. Tasmania is deeply resourced in cultural infrastructure but challenged by a high reliance on State or Local Government funding to keep many museums, theatres and galleries operating.

The region is hosting more regular major national and international sporting events: AFL matches; test and one-day cricket; V8s; Targa; and the Sydney to Hobart yacht race. The region is also taking a more strategic approach to participative sports, including adventure sports and mountain biking, which are attracting more international visitors to events like the Mark Webber Challenge.
6. Regional priorities

Tasmania has a number of challenges and opportunities that are unique as Australia’s only island state. Key policy areas and projects for Tasmania for 2013–14 include:

- Implementing the whole of government Economic Development Plan through the actions detailed in the regional economic development plans.
- Maximise the advantage of the NBN and the new digital economy including the progression of the SenseT project.
- Find solutions to Tasmania’s high freight and transport costs and to make commercial transport more competitive.
- Progress the redevelopment of the Hobart waterfront including the rail yards, Antarctic port infrastructure upgrades, and increased cruise ship visitation.
- Support further investment in irrigation infrastructure.
- Increase growth and productivity in the agricultural sector.
- Encourage investment and value creation in the redefined forestry sector.
- Support the continuation of planning reform to improve consistency and cohesion of planning regulation.
- Understanding the changing demographic trends and the impact on future drivers of wealth and wellbeing.
- Support policies, programs and initiatives that focus Tasmania on being a healthy community.
- Continue to focus on improving literacy and numeracy levels in the Tasmanian community.
- Leverage Tasmania’s position as a leader in renewable energy generation.
- Maintain and utilise Tasmania’s bio security advantage and environmental strengths.

In consideration of the current challenges and opportunities, the profile of the region and consultation with key stakeholders, RDA Tasmania has identified the following priorities:
RDA Tasmania Priorities

- Expand and grow economic activity in Tasmania
- Increase collaboration and efficiencies between federal, state and local government
- Improve literacy, numeracy and education levels within the Tasmanian community
- Facilitate place-based solutions for local communities and economic diversification
- Address the needs of Tasmania’s changing demographics and health profile
7. Implementation of RDA priorities

This section outlines how regional priorities will be progressed through specific projects and initiatives.

While government and community can impact and guide future direction, there is no one ‘silver bullet’ that will solve the diversity of issues and challenges faced across the state. RDA Tasmania can play a role in facilitating discussion and fostering collaboration to reach common goals across all levels of government, and community and business stakeholders.

Projects and initiatives are summarised below each priority. RDA Tasmania priorities reflect the contribution from the Community Conversations conducted in conjunction with the State Department of Economic Development, Tourism and the Arts in 2012. Detailed actions, dates, responsibilities and measures are outlined in our internal RDA Tasmania Business Plan and reported in our annual report.

7.1 Expand and grow economic activity in Tasmania

Increased economic activity and wealth creation raises the standard of living and provides job opportunities for younger Tasmanians who may otherwise move interstate for work. Tasmania has the highest unemployment rate in the country with low participation rates and an increasing trend towards part time employment that may mask higher unemployment levels than are currently measured. Education and skill rates vary considerably and are not always matched to job opportunities.

Tasmania has been largely detached from the resource boom, few industries benefitting from growth in Asian markets, strong Australian dollar, reduced competitiveness of Tasmania’s exports, freight costs increasingly prohibitive, lower consumer and business confidence, weak retail and construction sectors, reduced State Government GST receipts, decreased private investment, reduced public spending, forestry in transition, net out migration, and population stagnation. Economic opportunities exist in Tasmania by building on the strength and reputation of research and innovation, connectivity through the NBN, and wealth generating industries.

Key focus to implement this priority:

- Be a key participant in the identification of projects and investment in economic diversification through collaboration with all levels of government to influence the implementation of the State Government Regional Economic Development Plans (REDP).
- Maximise the potential and benefit of the National Broadband Network for the Tasmanian economy.
- Influence regional strategies that support the renovation and improvement of
Tasmania’s transport and freight services.

- Work with industry groups, local councils, businesses and regional bodies to formulate growth and development strategies that supports a conducive business environment within the respective regulatory frameworks.
- Maximise the advantage of the carbon economy initiatives for Tasmania.
- Work with the University of Tasmania, Tas TAFE and other education bodies to develop skills and capacity to support economic growth.
- Support initiatives that enable innovation in industry sectors that create efficiencies and economic growth opportunities.
- Grow the knowledge base through innovation, research and development to enhance and support economic development within Tasmania.

**7.2 Increase collaboration and efficiencies between federal, state and local government**

Tasmania is a small, well connected region with the capacity for strong collaboration across government, industry and community. Community consultations undertaken in 2012 identified that collaboration and working together were crucial success factors for future economic success. RDA Tasmania is in the unique position of being a neutral organisation with relationships at every level of government as well as community and industry. We are able to utilise these relationships to facilitate dialogue and engagement with stakeholders, and help to identify gaps and duplication in existing services and policy.

*Key focus to implement this priority:*

- Facilitate regular dialogue and engagement with the three tiers of government to identify opportunities for collaboration, identify inefficiencies and develop regional projects.

**7.3 Improve literacy, numeracy and education levels within the Tasmanian community**

Literacy and numeracy levels are two important factors currently impeding Tasmania’s working age population from participating in regular employment and improving their skill levels. Educational attainment is positively linked to higher levels of employment and labour force participation higher wages and higher levels of productivity. There is also growing evidence that education has a positive causal effect on such social outcomes as better health, greater civic engagement and reduced crime.

*Key focus to implement this priority:*
Partner with education providers, government, industry, organisations and communities to better support education outcomes in Tasmania and encourage a culture of valuing education.

7.4 Facilitate placed-based solutions for local communities

Understanding the comparative advantages of our regional areas is fundamental in enabling evidence based solutions to be implemented by communities in conjunction with local industry and the tiers of government. Local communities can provide insight into the challenges and opportunities facing their regions and can formulate tailored local solutions.

Key focus to implement this priority:

- Enable Tasmanian communities to develop place-based solutions for economic, social and environmental issues with support from all tiers of government.

7.5 Address the needs of Tasmania’s changing demographic and health profile

Tasmania faces the challenges of a rapidly ageing and low growth population. Older residents tend to participate in local events and volunteer activities, bringing knowledge and experience to their communities. However, an ageing population with increasing life expectancy will create demand for services including health and aged care. National population and demographic trends of population movements towards increasing urbanisation and population decline in rural areas is also apparent in Tasmania.

Tasmania continues to perform worse in most health measures when compared to other states, however when compared to regional Australia rather than metropolitan areas, Tasmania aligns with the national average.

Key focus to implement this priority:

- Advocate for collation and collection of demographic data to support effective decision making and future planning across all levels of government and community.

- Partner with health and wellbeing organisations, government, industry and communities to better support health and wellbeing outcomes in Tasmania and encourage a culture of healthy living.
REGIONAL PROFILE

Overview

Tasmania is Australia's only island state, with a cool temperate climate and decentralised population. Tasmania has less than one per cent of Australia’s total land area, but captures almost 12 per cent of the nation’s total annual water run-off.\(^\text{23}\)

The area of the State, including the offshore islands, is 68,100 km\(^2\) or about 0.9\% of the total area of Australia. It is separated from the mainland by Bass Strait, which is about 240 kilometres in width.

The remaining coastline is bounded by the Southern Ocean on the south and west and the Tasman Sea on the east.

There are 29 local government municipalities divided into three regions (north, north west, and south). In 2009, water and sewerage corporations were established that as of 1 July 2013 have been amalgamated into one state-wide body to manage infrastructure and service provision. This organisation is a corporate body fully owned by the local councils.

1. Human capital

1.1 Regional workforce challenges and workforce development priorities

1.1.1 Unemployment

Tasmania continues to have the highest unemployment rate in the country and the gap is increasing. The unemployment rate as at June 2013 was 8.1 percent, compared to a national unemployment rate of 5.7 per cent. Unemployment rates vary considerably across the state. In Kingston, an outer suburb of Hobart, the unemployment rate at December 2012 was 3.4 per cent, in contrast to Burnie, an industrial city in the north west of the state, that recorded an unemployment rate of 12.2 per cent.

The following graph compares employment trends in Tasmania to Australia over the last five years. The red line represents Australia and uses the left-hand scale on the graph, while Tasmania is represented by the blue line and uses the right hand scale on the graph.

Employment in Tasmania was 0.1 per cent lower in March 2013 than it was five years earlier, while employment nationally increased by 7.2 per cent over the same period.

1.1.2 Hours Worked

Tasmania has a higher level of part-time work than the national average; it was 36.8 per cent in March 2013 compared to 30.1 per cent nationally. In addition part-time work as a proportion of total employment appears to be increasing at a faster rate in Tasmania than it is nationally.

1.1.3 Participation rate

The participation rate in Tasmania for June 2013 was 60.4 per cent, down from the 60.5 per cent recorded a year ago. Male participation fell by 0.2 percentage points while female participation fell by 1.6 percentage points. The current national participation rate is 65.3 per cent.

1.1.4 Ageing workforce

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24 Trends The Tasmanian Labour Market Review, June 2013
25 Small Area Labour Market - December Quarter 2012, Burnie per cent quoted was for statistical area Burnie (Part A).
26 Source: ABS Labour Force Australia, cat. No. 6202.0
27 Trends The Tasmanian Labour Market Review, June 2013
The workforce in Tasmania is ageing more rapidly than any other state in Australia with mature aged workers (over 45 years) making up nearly 42.9 per cent of the employed workforce, as of February 2012. Furthermore, nearly 40 per cent of employed 15- to 24-year-olds are concentrated in the two industries of retail trade, and accommodation and food services.

Below is a graph of the Tasmanian Population by Age Group - Five Year Time Series, illustrating the virtually flat population growth, with the exception of the 65 years and over age category that is showing significant growth.

1.1.5 **Skill Shortages**

There have been persistent skill shortages in the construction industry in Tasmania throughout the 2000s. However, this has changed over the last two to three years, and many trades that have been in shortage for years are now no longer experiencing skill shortages. The main reason for the change has been due to downturn in construction activity in the state.

The only areas of difficulty identified in the research conducted in November 2012 were with specialist joinery skills in the carpenter and joiner trade, and with some specialised plumbing skills. Vacancies for plumbers in regional areas were also difficult to fill.

1.2 **Education Profile of the Workforce**

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30 Source: ABS Labour Force Survey, three month average data.
There are significant differences between qualifications and educational attainment profiles across individual regions in Tasmania. The share of employment for professionals is highest in Hobart (21.2 per cent; which is above the Australian average of 19.9 per cent), followed by Launceston (16.6 per cent) and west and north west Tasmania (13.7 per cent).

1.2.1 Highest year of school completed

The 2011 Census shows an increase in the percentage of people in Tasmania who have completed year 12, from 31.3 per cent to 36.5 per cent over the five year period from the last census. This compares favourably to 20 per cent of the population nationally. There has also been a decrease in the percentages of people whose highest educational achievements were grade 10 or below. Given the amount of research linking higher educational achievements with better employment outcomes, these figures show positive moves in the right direction.

The three main education providers are the Tasmanian Government (213 schools), Catholic Education (37) and the Independent schools sector (29). The number of students enrolled at non-government schools in Tasmania as a percentage of all school enrolments has increased from 33 per cent to 41 per cent over the last decade (2000 to 2010).

The Tasmanian education system has undergone significant reform over the last five years. The separation of vocational education and training provision to industry and individuals established through Tasmania Tomorrow ceased on 1 July 2013. The newly amalgamated TasTAFE will cater for all public vocational education and training needs.

1.2.2 Adult literacy in Tasmania

The proportion of adult Tasmanians with low literacy skills is very high. The 2006 Adult Literacy and Life Skills Survey by the Australian Bureau of Statistics found that around half of the Tasmanian population aged 15–74 years lack the literacy skills needed to cope with the demands of everyday life and work. For example, 49 per cent of adult Tasmanians do not have the basic skills needed to understand and use information from newspapers, magazines, books and brochures. Overall, at the time of the 2006 Census, Tasmania had the lowest level of adult literacy skills in the nation and there had been no improvement in adult literacy levels since they were last measured in 1996.

Preliminary data for the most recent survey by the Australian Bureau of Statistics, the 2011-2012 Programme for the International Assessment of Adult Competencies (PIAAC), shows that on average older Australian’s have lower literacy levels. More specific Tasmanian data should be available later in 2013.

1.2.3 Tertiary education and research

Hobart has the highest number of scientists per capita of any city in Australia and is host to 65 per cent of all Australia’s Antarctic and Southern Oceans research scientists. The University of Tasmania (UTAS) is the only university in the state and has campuses in the south, north and north west of the region. The Menzies Research Institute, run by UTAS, is one example of a local institution known globally for its groundbreaking medical research.

Source ABS 6227.0 Education and Work, Australia, May 2012
Trends The Tasmanian Labour Market Review, June 2012
Several world-class research and educational institutions are based in Tasmania, including the CSIRO Marine and Atmospheric Research Centre; Antarctic Climate and Ecosystems Cooperative Research Centre; the national Forestry Cooperative Research Centre; the Australian Maritime College; the Australasian Furnishing Research and Development Institute; and the Australian Antarctic Division.

1.3 Skills, training and education challenges

1.3.1 Education attainment

Educational attainment is positively linked to higher levels of employment and labour force participation, higher wages, and higher levels of productivity. Literacy and numeracy levels for students at age 14 are critical determinants of future achievement (particularly in terms of whether they continue at school, enter university, and secure high-status, well-paid jobs). There is also growing evidence that education has a positive causal effect on such social outcomes as better health, greater civic engagement and reduced crime.

Tasmania is the fourth state to sign up to the National Education Reform Agreement (Gonski), securing more than $380 million in extra funding for its state schools under the Government’s Better Schools Plan. Under the deal, total school funding in Tasmania will rise to $1.4 billion in 2019.

The graph below shows the percentage of the population who have post-school qualifications, by level of qualification, and how these percentages have changed between 2001 and 2011.

The number of Tasmanians with post-school qualifications, as a percentage of the total population, increased across most levels of education in the 2011 census, with the biggest growth in bachelor degrees. The percentage of the population with a bachelor degree in Tasmania increased from 5.9 per cent of the population in 2001, to 8.4 per cent of the population in 2011, although this is still below the Australian average of 10.8 per cent. The percentage of the population with a postgraduate degree (a graduate diploma or graduate certificate) increased slightly. Those with a Certificate I or II qualification declined slightly between 2001 and 2011. The university sector is the only one that experienced growth between 2001 and 2011, with student
numbers in pre-school, infant/primary, secondary, and technical and further education all falling\(^{40}\).

The percentage of people with trade level qualifications at Certificate III and IV level increased in Tasmania from 10 per cent of the population in 2001, to 13.9 per cent in 2011, slightly above the national figure in 2011 of 12.2 per cent. Those with a Certificate I or II qualification has declined slightly between over the ten years to 2011\(^{41}\).

The national rate of attainment of Year 12 or equivalent school or non-school qualification for young people aged 20–24 years has risen over the last decade from 78% to 85% in 2011. While still having one of the lowest attainment rates overall for 20–24 year olds, Tasmania has experienced the greatest increase, from 65% in 2001 to 77% in 2011\(^{42}\).

YEAR 12 AND EQUIVALENT ATTAINMENT FOR 20-24 YEAR OLDS, including COAG targets for 2015\(^{43}\)

\[\text{YEAR 12 AND EQUIVALENT ATTAINMENT FOR 20-24 YEAR OLDS, including COAG targets for 2015}\]

1.3.2 School attendance and retention rates

The Department of Education produce an annual snapshot of the public education system to measure outcomes. Tasmania’s Education Performance Report 2011 showed the trend of low retention rates from year 10 to year 12 continuing, with the retention rate for 2011 of students being 70.4 per cent\(^{44}\). This measure is updated annually and is based on the total number of full-time equivalent students enrolled in Year 10 compared with those enrolled in Year 12 two years later. The 2011 Census measured retention rates differently, being the percent of the population aged 20-24 who had completed year 12 or equivalent. Nationally, the year 12 achievement rate is 83 per cent, and under this measurement, while Tasmania had a rate of 77 per cent in 2011. The Australian Government has a target to ‘increase the national rate of Year 12 attainment or equivalent’ to 90 per cent by 2015, a target that is much higher than the current Tasmanian achievement\(^{45}\). This target will bring Australia more in line with international outcomes, for instance 88 per cent in the United States, 92 per cent in Canada and 98 per cent in South Korea\(^{46}\).

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\(^{40}\) Trends The Tasmanian Labour Market Review, October 2012

\(^{41}\) Source ABS 2071.0 Year 12 Achievement and Continuing Education

\(^{42}\) Source ABS 2071.0 Year 12 Achievement and Continuing Education


\(^{44}\) Source ABS 2071.0 Year 12 Achievement and Continuing Education

\(^{45}\) Improving Productivity Through Education, Price Waterhouse Coopers, November 2012
School attendance rates in Tasmania in 2011 were trending down and are indicated as an area of concern for the Department of Education. Schools are being encouraged to continue to actively seek to engage with parents and their communities so, as partners, they can ensure all children are connected to learning. Improving student attendance is a particular focus in many Smarter Schools National Partnership schools.

In 2012, a discussion paper "Future provision of Years 11 and 12 education in regional Tasmania" was produced and in 2013 the Minister’s Action Plan was released outlining the policy actions being implemented to support increased retention of students through to the end of year 12. These actions include partnerships between regional schools and secondary colleges, infrastructure funding, vocational e-learning strategy, review of transport and accommodation provisions and the development of a communication strategy and stakeholder working group.

1.3.3 Changing demand for school enrolments
The provision of a high quality education for every student in Tasmania is critical to Tasmania’s future prosperity from an economic, social and health perspective. In planning for the future, Tasmania needs a Government school system that is viable now and sustainable in the medium to long term. While a schools’ broader place in the community needs to be considered, the primary drivers must be effective and efficient delivery of public education.

The Tasmanian Government closed or amalgamated 25 schools in the five years to 2011. The challenging economic climate combined with past and future demographic changes requires decisions to be made and actions taken that continue to afford all Tasmanian children the quality education they are entitled to and deserve. The School Viability Reference Group Report to the Minister for Education and Skills was released in January 2012 with a number of recommendations. Three of the recommendations are seen as being required to support the implementation of further policy. These are:

- Recommendation 1: A review of current policies and guidelines relating to school boundaries and catchment areas of Tasmanian Government schools be undertaken with key stakeholders.
- Recommendation 2: The Department of Education, in accordance with proposed policy review of school boundaries and catchment areas and student transport, review the current Enrolment and Attendance Guidelines to ensure that they reflect unambiguously the new polices.
- Recommendation 3: A review of the current school transport system be undertaken with key stakeholders, with a focus on the development of a payment scale for subsidised transport that increases in cost the further a student travels past their nearest school.

1.3.4 Trade Training Centres
The Australian Government Trade Training Centres in Schools Program provides funding so that students will be able access high quality trade training facilities that meet industry standards. This
encourages students to complete their studies, while creating opportunities for them with future employment as well as further education and training. These Centres help address national skills shortages in traditional trade areas and offer qualifications that complement local skill requirements.

There are now seven Trade Training Centres (TTCs) operational across Tasmania (including Deloraine) offering training in the following industry areas:

- construction (including plumbing and bricklaying)
- automotive
- metals and engineering
- electrotechnology
- horticulture
- agriculture
- aquaculture
- cookery
- aged care/community care

In December 2012, the Tasmanian Government Sector were successful in gaining approval for two further Trade Training Centres to be located in Deloraine and Sorell/Triabunna. Aquaculture training is being offered in Trade Training Centres for the first time in partnership with Seafood Training Tasmania. The Department of Education has successfully collaborated with Industry Link and Pelion Consulting to secure Commonwealth NBN funding. Trade Training Centre teachers and students are engaging in e-learning projects that make use of portable digital devices, ICT infrastructure and the NBN to trial virtual skills learning across multiple sites.

1.3.5 Literacy Challenges
The State Government has developed the Adult Literacy Action Plan 2010-2015 to provide a framework to address low literacy outcomes in Tasmania. Tasmania’s low levels of adult literacy are influenced by a range of factors including the higher prevalence of older persons in the population, and lower school retention rates and post-school qualifications. Information from the ABS also suggests that Tasmanians in regional municipalities tend to have lower literacy levels compared to those living in major metropolitan areas. 49

1.4 Factors affecting demand and skill profile

1.4.1 Changes in industry activity 50
Industries that employ a greater percentage of the Tasmanian workforce compared to nationally, include retail trade, agriculture, forestry and fishing, public administration and safety, and accommodation and food services. Industries where there is a lower percentage of Tasmanians employed compared to the national average are mining, financial and insurance, and the professional, scientific and technical services industry. Refer to the Tasmanian Employment by Industry Time Series graph below.

Employment growth over the last five years has occurred mainly in the service sector, while employment in more traditional industries have declined. Based on the number of people

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49 Tasmanian Adult Literacy Action Plan 2010-2015
50 Tasmanian Employment by Industry - Five Year Time Series. Source: ABS Labour Force Data, four quarter average
employed in the largest industries, Tasmania appears to have a lower level of economic diversity, when compared to the national average. Tourism directly and indirectly supports around 32,000 jobs in Tasmania or about 13.5 per cent of total Tasmanian employment; the highest proportion in the country.\(^5\)


\[^5\] Tasmanian Employment by Industry - Five Year Time Series. Source: ABS Labour Force Data, four quarter average
2. Sustainable communities and population growth:

2.1 Economic

2.1.1 Socio economic profile

For a population that records some of the worse figures nationally for social and economic disadvantage, Tasmania is also capable of creating a wide range of career and lifestyle choices. Tasmania is not without its opportunities, but during the current period of structural change and slow economic growth the challenge of improving the regions socio-economic profile becomes more complicated.

The median weekly household income in Tasmania in 2011 was $948, an increase of 15 per cent from 2006’s $806 per week. However this is significantly below the Australian median weekly income in 2011 of $1,234. Personal median weekly income in Tasmania in 2011 was $499, again lower than the Australian average of $57753. Individual’s income across all industries in Tasmania demonstrates that most workers earn between $600 - $799 per week:

<table>
<thead>
<tr>
<th>Workers employed in Tasmania by Weekly Income, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
</tr>
<tr>
<td>Negative/Nil income</td>
</tr>
<tr>
<td>$1-$199</td>
</tr>
<tr>
<td>$200-$299</td>
</tr>
<tr>
<td>$300-$399</td>
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<tr>
<td>$400-$599</td>
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<td>$600-$799</td>
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<tr>
<td>$1,000-$1,249</td>
</tr>
<tr>
<td>$1,250-$1,499</td>
</tr>
<tr>
<td>$1,500-$1,999</td>
</tr>
<tr>
<td>$2,000 or more</td>
</tr>
</tbody>
</table>

53 Australian Bureau of Statistics 2011 Census
The participation rate in Tasmania for June 2013 was 60.4 per cent, down from the 60.5 per cent recorded a year ago. Male participation fell by 0.2 percentage points while female participation fell by 1.6 percentage points. The current national participation rate is 65.3 per cent. The unemployment rate as at June 2013 was 8.1 percent, compared to a national unemployment rate of 5.7 per cent.

One third of Tasmanian households’ main source of income is from government pensions and allowances, and 10.7 per cent of Tasmanians live below the poverty line. Public debate on this matter is divided between directing resources towards overcoming disadvantage versus accepting there’s part of the population content with income support dependency.

Tasmania is not without some upward direction, as the region has experienced higher real wage growth and improving demand for home loans.

2.1.2 Changes in industry composition and challenges these present

It is hard to look at the Tasmanian economy without being confronted by the figures for economic performance, which would indicate slow or no growth. The Tasmanian gross state product was $23 billion in 2011-12, a year-on-year growth of 0.5 per cent compared to the national growth rate of 3.4 per cent. The rate of unemployment is rising, now at 8.1 per cent, and job advertisements have decreased by -22.2 per cent since 2010-11, all contributing to below trend economic growth in Tasmania and a notable divergence between the performance of the Tasmania economy and other regional economies.

The challenges to economic growth can be summarised as; Tasmania has been largely detached from the resource boom, few industries benefitting from growth in Asian markets, strong Australian dollar reduced the competitiveness of Tasmanian exports, commodity prices falling, low consumer and business confidence, weak retail and construction sectors, reduced State Government GST receipts, decreased private investment, reduced public spending, forestry in decline, overall decrease in aggregate hours worked, high unemployment, net out-migration and population stagnation.

These challenges have led to the decline in traditional industries including; food processing, textile/clothing/footwear, wood and paper, machinery and equipment, apples and pears. This decline has seen the value of goods and services exported overseas decreasing by 8.7 per cent from 2006-07 to 2011-12. Another traditional industry, the metal processing industry has had
to undergo a structural transition to sustain output, but has needed job losses to achieve productivity gains.

![Chart – Share of Gross Value Added by Industry, Tasmania, 1991-92 to 2011-12, original annual data (excluding ownership of dwellings)]

Forestry is one of the most recognised Tasmanian industries and also the industry experiencing the most profound structural change. The creation of a sustainable forestry industry is the subject of Tasmanian Forest Intergovernmental Agreement. Signatories to the Agreement have sought to create a framework for the forest industry to operate in that balances the demand for Tasmanian wood products with the supply of wood with regards to the preservation of high conservation-value areas. With the best available data, analysis shows that the forestry industry has shed 3,500 in recent years. The impact of this change has hit regional communities the hardest, where few alternatives to forestry exist. An outcome of the Agreement will be the diversification of regional economies so that these communities have a sustainable pathway forward.

Nonetheless the Tasmanian economy has grown in industries including dairy, stone fruit, aquaculture, specialised manufacturing and recently tourism. The growth of these industries is linked to strategic planning around areas including; skills development, regional co-operation, research and development, marketing and infrastructure investment. There is growth potential in all these industries and a role for State and Federal Government support to facilitate this growth. These industries all share a link to the region’s natural resources and demonstrate that businesses can develop sustainably when linked to Tasmania’s comparative advantages, as explained in Section 4 of the Regional Profile.

The public sector plays a key role in the economic profile of the region; approximately a third of people are employed in public sector jobs, with a third employed in private sector jobs. However,
much of the private sector, such as construction and retail, is reliant for work generated by the public sector or spending by those employed in the public sector.\(^\text{66}\)

**2.1.3 Priorities and opportunities**

Tasmania has many challenges compared to other regions and its economic performance is comparably slower. In July 2013, Tasmania lagged all other economies on all of the eight CommSec State of the States\(^\text{67}\) indicators, which are: economic growth, retail trade, equipment investment, unemployment, construction work, population growth, housing finance, and dwelling starts.

Nonetheless the region is uniting to deliver a state economic development plan and three regional economic development plans aimed to provide economic stimulus and sustainability. The Tasmanian Government introduced a whole-of-government Economic Development Plan in August 2011 and detailed operational documents with priorities for the three sub-regions, the regional economic development plans, were launched in November 2012\(^\text{68}\).

Priority sectors are recognised in the Regional Economic Development Plans as those with the potential to make the most of Tasmania’s competitive advantages. Knowledge of the needs of these growth sectors is critical for input into issues such as infrastructure, skills, land-use and regional planning. The priority sectors have flow-on effects into major employment sectors including retail and the service sectors. The priority sectors are:

<table>
<thead>
<tr>
<th>North West</th>
<th>North</th>
<th>South</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced manufacturing</td>
<td>Advanced manufacturing</td>
<td>Advanced manufacturing</td>
</tr>
<tr>
<td>Food and agriculture:</td>
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The Australian Innovation Research Council’s ‘Diversifying Tasmania’s Economy – Analysis and Options’ report finds that by creating 4,400 jobs the unemployment rate can be reduced from the Tasmania level (7.3 per cent at the time the report’s release) to the Australian level (5.5 per cent), and identifies a route toward achieving this\(^\text{69}\):

- Strengthen and grow Tasmania’s private sector so focus on the traded private sector.
- Reinforce comparative advantage and focus on business capability to “perform the activities that matter in competition and meet customer needs.”

\(^\text{66}\) Obstacles To Progress, Griffith Review Edition 39, J. West, 2013  
\(^\text{67}\) CommSec State of the States July 2013  
\(^\text{68}\) www.development.tas.gov.au/economic/economic_development_plan  
\(^\text{69}\) Diversifying Tasmania’s Economy: Analysis and Options, Final Report – Revised October 2012, Australian Innovation Research Centre
- Build on four or five effective industries with the greatest growth potential; aquaculture, dairy and wine, and also horticulture.

- Prioritise; infrastructure that leads industry, industry clusters and agglomerations, and research and development and support for innovation.

### 2.2 Environment

Tasmania’s environment is variable and diverse and has a wide range of terrestrial, freshwater and marine plants and animals. Changes to ecosystems have occurred due to interrelated pressures, including climate change, land and water use practices, pests and diseases, and consumption.

Tasmania is the most forested state in Australia with 3.3 million hectares or 50 per cent of its land under forest cover.70

Twenty-five percent of Tasmania is protected inside reserves such as national parks. This provides both opportunities and challenges to leverage the economic benefits through developments such as tourism. (For example, planning for future growth and investment at the Cradle Mountain visitor precinct through re-alignment and expansion of the visitor services)

The Tasmanian Forestry Intergovernmental Agreement (which was ratified in 2013) will further protect approximately 430,000 hectares of existing of native forestry vegetation from harvesting under the terms of the agreement. An additional 15 per cent has a lower form of protection and is open to mineral exploration, mining, 4WDs and other developments. Tasmania’s marine waters are much less protected than our terrestrial environment, with only 3.5 per cent of the state’s waters in marine reserves.71

Over the past 50 years, Tasmania’s climate has been changing. Across the state average temperatures have increased by 0.8–1.0°C, and rainfall has declined in most of the settled areas. It is predicted the maximum temperature will continue to increase and that sea levels will rise between 20 and 60cm by 2095.72

The projected increases in both minimum and maximum temperatures are likely to require changes to agricultural practices, including changes to crop choices, reduced time to crop maturity, changes to crop yields and crop quality, rainfall patterns, and changes in the incidence and severity of weeds, pests and diseases.73 Primary production and urban development has led to increasing pressures on natural values, including the clearance and modification of native vegetation and landforms for agriculture, forestry and settlements. Tasmania has the highest proportion of agricultural land under irrigation of any Australian state.74

Tasmania has less than one per cent of Australia’s total land area, but captures almost 12 per cent of the nation’s total annual water run-off.75 Tasmania’s varying soil types and opportunities provided by climate change create a diversity of agricultural, forestry and grazing possibilities.

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70 Australia’s Forests at a Glance 2011

71 http://www.wildlifetasmania.com/habitat.html


73 http://www.dpac.tas.gov.au/__data/assets/pdf_file/0004/140197/CFT_Impacts_on_Ag_Summary.pdf


2.2.1 **Natural resource management (NRM)s**

RDA Tasmania has an MOU with the three regional natural resource management (NRM) bodies in Tasmania to ensure a better understanding of environmental issues as they relate to regional development. The Federal Clean Energy Future Legislation has placed responsibility on the regional NRMs to help plan for climate change and maximise the benefits of carbon farming initiatives in their respective regions.

Preparation of a regional plan for each NRM region that is nationally consistent will also be the responsibility of the Tasmanian NRMs. These plans will consider potential issues for each region that are directly related to climate change and strategies to deal with any threats or impacts.

Priorities for the NRMs for Tasmania:

- developing carbon farming opportunities for the regions
- climate change and energy efficiency initiatives for business
- food and biosecurity for Tasmanian primary producers and landowners
- land management
- enhancing partnerships with land carers.

### 2.2.2 Climate Change Mitigation and Adaption

**Carbon Emissions Reduction**

Tasmania's Climate Change Office has set carbon emissions targets for Tasmania that aligns with the Australian targets specified under the Kyoto Agreement. Initial consultation through the “Adapting to Climate Change in Tasmania report” has been undertaken with a series of consultation workshops aimed at collecting feedback from affected stakeholders. This feedback will help develop a Carbon Emissions Reduction Strategy that will provide working strategies for government, industry and community to follow and deliver a long term reduction in carbon emissions for Tasmania.

**Clean Energy**

Tasmania is uniquely positioned with the majority of its energy needs derived from renewable sources. Alternate fuels including biodiesel, biomass, solar and wind turbines are now being introduced to supplement mainstream energy generation. While Tasmania is well ahead of other states in the percentage of renewable energy used, the existing transmission infrastructure may need upgrading in order to absorb energy generated from a variety of sources.

Using this opportunity to promote Tasmania as an innovative and progressive energy producer will provide possibilities for industry to derive their energy needs from a predominantly renewable source in accordance with the Federal Government's clean energy initiative. This will have flow on effects for business, including the reduced cost of production by using clean energy and the potential for carbon offsets through the production of ‘in-house’ clean energy.

### 2.2.3 Tasmanian biosecurity and wildlife

The state Department of Primary Industry, Parks, Wildlife and the Environment supports the Environment Protection Authority in monitoring and regulating environmental performance and
reporting on key performance indicators. The EPA also oversees quarantine regulations.

Tasmania has some of the world’s most stringent quarantine regulations to protect the state’s plants, crops and animal industries from introduced pests and diseases. Additionally, Tasmania has a moratorium on the use of Genetically Modified crops until 2014 to ensure that Tasmania’s status as a producer of safe, high quality produce is preserved.

In May 2008, the iconic Tasmanian devil’s status was formally upgraded to ‘endangered’ under Tasmania’s Threatened Species Protection Act 1995. Devil facial tumour disease (DFTD) is a rare infectious cancer that is spreading through wild Tasmanian devil populations. In the far north east of Tasmania devils declined by 96 per cent in 2010–11. But in the north west of the state, where the tumour has not been detected, populations appear to have increased by 7 per cent.

Insurance populations and ongoing research are being used to try and manage the threat to the state’s most well known animal.

2.2.4 Tasmania’s environmental future

Tasmania’s reputation as a ‘Clean Green State’ is one that has been developed over a number of years. While this hasn’t yet been leveraged to its fullest, the current economic and legislative environment will offer unique opportunities for the region if managed correctly.

Currently, the Tasmanian region benefits from a number of natural advantages including regular rainfall, temperate climate and a natural bio security deterrent as an island state. Our natural landscape and beauty are a key drawcard for tourists and a strong part of the Tasmanian brand and our identification.

There exists opportunities to leverage off these advantages including being a leader in renewable and lower carbon energies including wind farms, tidal, wave, geothermal, natural gas and solar energy and securing biodiversity and carbon sequestration outcomes so landholders and regional communities can take advantage of emerging markets in carbon and biodiversity. This could potentially provide a future revenue source and longer term sustainability for alternative power generation.

However these opportunities will need to be measured against the potential impacts to Tasmania’s natural resources. These include the managing of natural resources including water, forestry and fisheries in line with the expectations of the community and business. Additionally Tasmania will need to consider the best outcome for its future when considering carbon farming opportunities against alternative uses for arable land including agriculture or commercial forestry.

Maintaining best practice quarantine control will also remain a challenge for Tasmania in respect to international trade and the importation of overseas products that may be considered a threat to localised produce. The use of technologies in the management of bio diversity and pest control has been enhanced with the ongoing roll out of the Sense T network including the expansion of sensor networks in agriculture and horticulture throughout the state. This network will enable

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76 Tasmanian Biosecurity Strategy 2013-2017, Department of Primary Industries, Parks, Water and Environment, March 2013
better landcare management in areas of pest control, fertiliser applications and soil management whilst extracting regular seasonal data.\(^{79}\)

Partnerships in landcare management continue to evolve out of the shared vision to rehabilitate and restore vegetation in vulnerable areas or biodiversity “hotspots”. The Tasmanian Midlands restoration project involving Greening Australia, UTAS, TFGA and landholders has helped to restore existing degraded farmlands into grassy woodlands which will enhance the existing landscape and encourage the settlement of native wildlife.\(^{80}\)

### 2.3 Social

#### 2.3.1 Urban growth pressures (including housing, land and water management issues)

Tasmania is characterised by a dispersed population in low density settlements. Greater Hobart is one of the least densely settled Australian cities with some of the highest levels of low density housing stock. Of all the states and territories, Tasmania had the highest proportion of its population residing outside of its greater capital city (58%) at June 2012.\(^{81}\) Urban based local government areas (LGAs) are more likely to have higher population growth than rural or remote LGAs.

To manage planning and urban based design the three sub-regions of Tasmania in association with the State Government and the 29 local Government areas have produced three Regional Land Use Strategies, with the individual Councils producing their own municipal level interim planning schemes.\(^{82}\) Across Tasmania the strategies and plans are all forecasting low population growth and low levels of industrial development. This low demand is demonstrated in low levels of residential construction and high rates of rental vacancies, currently around 5 per cent in the Hobart area.\(^{83}\) It is perceived that over the next 20 to 25 years existing urban boundaries will accommodate new urban development without any need for expansion of urban areas. The advantage of this is that new developments will be well connected to existing communities, utilities, services and transport options.\(^{84}\) Beyond the urban communities, population decline in regional and remote areas has put pressure on the viability of service provision such as education\(^{85}\) and infrastructure.

The Greater Launceston Plan is currently underway and scheduled for completion by September 2013.\(^{86}\) It is a major planning initiative directed to provide a framework and strategic direction to coordinate future planning and development in the greater Launceston area (the municipalities of George Town, Launceston, Meander Valley, Northern Midlands and West Tamar), and is being coordinated by the City of Launceston.

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\(^{79}\) Sense- T Website  [http://www.sense-t.org.au/](http://www.sense-t.org.au/)


\(^{81}\) Australian Bureau of Statistics, Cat No. 3218.0 Regional Population Growth, Australia, 2011-12, April 2013

\(^{82}\) Regional Land Use Strategy – Northern Tasmania, Northern Tasmania Development and JMG, September 2011

\(^{83}\) Structural Changes in the Tasmania Economy, Department of Treasury and Finance, April 2013

\(^{84}\) Living On The Coast, Cradle Coast Regional Land Use Strategy 2010 – 2030, Cradle Coast Regional Planning Initiative

\(^{85}\) School Viability Reference Group Report to the Minister for Education and Skills, 31 January 2012

\(^{86}\) Greater Launceston Plan Position Paper Infrastructure, I. Abernathy, April 2013
2.3.2 Cultural diversity

Tasmania’s cultural diversity is the result of a rich history of migration to the state. In 2012, more than 57,650 people or 11.6 per cent of the total Tasmanian population were born overseas. Though this is below the national average of 26.1 per cent of the Australian population born overseas, with migrants coming from 170 countries Tasmania is a cultural, religious and linguistically diverse region. People born in the United Kingdom represented 40.4 per cent of the overseas-born population of Tasmania. Other major countries of birth for Tasmania were New Zealand, the Netherlands, Germany and the People’s Republic of China.

Geographic distribution of recent migrants

A total of 8996 migrants have recently settled in Tasmania. This represents 0.9 per cent of all permanent migrants who arrived in Australia between January 2007 and the night of the 2011 Census. Compared with Tasmania’s existing population, the number represents 1.8 per cent, the lowest of all states and territories and well below the national average of 4.7 per cent. Hobart has attracted the majority of Tasmania’s recent migrants – 5148 people or 57.2 per cent of Tasmania’s total. Compared with the total population of Hobart, this represents 2.4 per cent, well below the national average of 6.0 per cent for all capital cities.

Permanent addition to Tasmania

In 2011-12 there were 1938 permanent additions to Tasmania’s population. The main birth places of these new migrants in 2011-12 were India, the United Kingdom, and the People’s Republic of China, Afghanistan and New Zealand. The Skill Stream accounted for 42.2 per cent of Tasmania’s permanent addition in 2011-12 (817 people). A further 391 people were from the Family Stream, 533 from the Humanitarian Program and 189 from Non-Program migration, mostly New Zealand citizens (171 people).

International students

The number of international students in Tasmania at 30 June 2012 was 2750, up 2.4 per cent on the end of June the previous year. On the basis of citizenship, most students came from the People’s Republic of China (790), Malaysia (470) and the Republic of Korea (190).

Humanitarian Entrants

Hobart is a capital city settlement location and Launceston is one of 19 regional settlement locations used by the Department of Immigration and Citizenship (DIAC). Both locations have Migrant Resource Centres that deliver their own range of support programs as well as those initiated by DIAC. Approximately 200 new arrivals settle in Launceston each year, representing approximately 70 family units. Launceston’s new arrivals nearly all come as refugees from countries including Bhutan, Burma, Congo, Eritrea, Ethiopia, Sudan and Sierra Leone and in 2013 over 150 people from Afghanistan’s Hazara community will settle in Launceston. Settling, supporting, and developing humanitarian entrant communities can be complex and resource intensive, but the reward is seen in the introduction of new skills, ideas and innovations.

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87 Migration to Australia’s states and territories 2011 – 2012, Department of Irrigation and Citizenship
88 Many Voices, A Discussion Paper on the Tasmanian Multicultural Policy, Department of Premier and Cabinet, May 2013
89 John Brown, Launceston Migrant Resource Centre
Indigenous population
There are 20,000 people who identify themselves as Aboriginal and Torres Strait Islander, or 4 per cent of Tasmania’s total population. Nationally, the figure is 2.5 per cent. There was a significant (17.1 per cent) increase recorded by the ABS in the Aboriginal population in Tasmania between 2006 and 2011. This is more than four times the increase in the total population. The Aboriginal population in Tasmania, as recorded by ABS Censuses, grew by 13.8 per cent between 1996 and 2001, by 5.8 per cent between 2001 and 2006, and 17.1 per cent between 2006 and 2011.

The age profile of the Aboriginal population in Tasmania is also very different to that of the general population. As mentioned above the median age of the total Tasmanian population is 40, but for Indigenous people in Tasmania it is 22 years old.

2.3.3 Health and ageing
The Tasmanian Government’s Department of Health and Human Services’ State of Public Health 2013 report is the third in a series of five yearly publications appraising trends and performance in public health:

The health of Tasmania is improving with longer life expectancy and generally good self-reported health. Mortality rates are improving but the incidents of potentially unavoidable mortality are significantly higher than the national average. Tasmanian women have a lower life expectancy than the Australian average and the gap is widening, mostly attributable to higher smoking rates in Tasmania.

Across most health measures Tasmania performs worse than all other states except the Northern Territory, with interstate metropolitan areas being statistically the healthiest communities. When compared to regional Australia rather than metropolitan areas Tasmania is on a par. Tasmania is categorised as inner regional (98 per cent of population) or outer regional (2 per cent of population).

Health differences associated with regional areas are linked to socio-economic and cultural conditions, the so-called behavioural risk factors of a sedentary lifestyle, over-nutrition, smoking and excessive alcohol consumption. 28.8 per cent of Tasmanian children aged 5 to 17 are obese, and the rate of obesity in Tasmanian adults is 65.6 per cent. 21.8 per cent of Tasmanian adults smoke daily compared to 16.3 per cent across Australia, and Tasmania records higher levels of alcohol consumption at rates that increase short-term risk of harm, 48.9 per cent, than the national average of 44.7 per cent. Cardiovascular disease, cancer, type 2 diabetes and some mental health problems are associated with these problems.

However, recently released Australian Bureau of Statistics figures show that Tasmania has achieved its best ever results in participation levels for sport, recreation and physical activity during 2011/12. The statistics show that 26.5 per cent of Tasmanians aged 15 and over took part physical activity for exercise, recreation or sport at least three times weekly in 2011/12. This places Tasmania second among Australia’s states and territories, equal with Western Australia, for regular participation, ranking below only the Australian Capital Territory (33.6 per cent). This
represents Tasmania’s highest ever ranking and is the first time in the history of sport and recreation surveys that Tasmania has achieved a regular participation rate that is above the national average 25.6 per cent. The Tasmanian rate of participation five or more times per week is 15.5 per cent, which is also above the national average of 13.1 per cent. As well as ranking above the national average, Tasmania is ranked a clear second among Australia’s states and territories for participation five or more times per week in 2011-12, ranking below only the Australian Capital Territory (17.8 per cent) and ahead of NSW who ranked third at 13.8 per cent.

It is therefore possible, albeit challenging, to remove these behavioural risks from Tasmania. The challenge however is complicated by Tasmania’s ageing population. Hospitalisation rates are increasing particularly due to people aged over 65 with chronic health problems, and cancer rates are set to increase along with the increase in older people.

Ongoing capital works have added services and improved functionality at the region’s major hospitals. A $565 million joint Commonwealth and State redevelopment of the Royal Hobart Hospital92 is underway and the Launceston General Hospital has received $96.7 million to create a new Acute Medical Unit, the new Launceston Integrated Care Centre and expand the Department of Emergency Medicine93. In Burnie, the construction of the $33 million North West Regional Cancer Centre will be completed by 201594.

Opportunities to improve the health of the region are in regulation, promotion and place or population based initiatives and service delivery:

- A State Policy for Healthy Community Design through the Tasmanian Planning Commission framework would potentially provide a regional approach to addressing the environmental determinants of health. This initiative is endorsed by Heart Foundation Tasmania95.

- The University of Tasmania’s Northern Health Initiative is a strategic framework of academic programs, infrastructure development, sports training and research into active living. The Newnham campus has the capacity to be developed into active learning, teaching and research spaces, with scope for development of the Burnie campus. The result of this initiative will be a greater focus on addressing issues such as the Tasmanian workforce, its health system and issues relating to the region’s demographic profile.

- Under the National Partnership Agreement on Preventative Health, the Tasmanian Department of Health and Human Services is working to support healthy workers, healthy children and healthy communities through a range of programs and promotions96.

- Tasmania Medicare Local is working to help coordinate and connect primary health care services for local communities. It was established in November 2011 and aims to identify local health needs, work to address any service gaps and make it easier for Tasmanians to access the health services they need closer to home97.

94 Media Release – Construction Starts on North West Cancer Centre, Sid Sidebottom MP, 21 March 2013
95 Healthy Communities are Sustainable Communities – Advocacy for a State Policy for Healthy Communities DRAFT, Heart Foundation Tasmania, December 2012
96 http://www.dhhs.tas.gov.au/healthpromotion/national_partnership_on_preventive_health
97 www.tasmedicarelocal.com.au
2.3.4 Quality of life issues (including desirability to live in the region)

Liveability
Liveability is a concept increasingly used to describe what people experience as positive in their communities. Generally, it’s defined as the degree to which a place supports the quality of life and health and wellbeing for people who live or visit there. In addition, liveable places also contribute to attracting highly skilled and creative people who drive innovation and economic growth.

Tasmania is a remarkably liveable place and, in particular, is increasingly ‘recognised, around the world, as an attractive place to live and work’. Tasmania’s natural heritage, diverse range of arts and culture, lifestyle and public open spaces are all attributes of a liveable place.

Promoting these attributes will be an important task in encouraging economic growth, particularly in regional areas. Opportunities include access to extensive natural areas, beaches and waterways; relatively uncrowded cities and community/visitor attractions, good quality of air and drinking water. Being an island means isolation from major population centres, which is both a challenge and an opportunity – increased costs for some services but also protection from pests and diseases.

Recent accolades for Tasmania include Launceston’s designation as Australia’s most family friendly city and Hobart’s becoming the travel guide Lonely Planet’s top place to visit.

Social inclusion in Tasmania
Social inclusion matters to the future of Tasmania. More than any other State our relatively high dependence on Commonwealth income support payments, lower skills and educational engagement and poorer health status all heighten the risks of exclusion.

State government research has found that for about 13 per cent of Tasmanians there are complex and enduring barriers that exclude them from having a fair go. These barriers include personal factors (such as health or homelessness, access factors (such as to transport or health services), and structural factors (such as intergenerational poverty and geographical disadvantage). Those places most at risk have become entrenched pockets of disadvantage and are often in the outer fringes of cities and towns that once were rural areas, rural towns in decline and older industrial areas.

Place based initiatives aimed at fostering development and influencing planning to enhance liveability, include the Greater Launceston Plan, the Devonport Living City initiative and the Hobart Capital City Plan.
2.4 Population

Tasmania has a relatively small, ageing and regionally dispersed population. Compared to national trends, Tasmania is underpinned by an ageing population, under representation of women of child-bearing age, and relatively low income, training and employment levels.\(^{102}\)

Tasmania also has the poorest health outcomes for the nation and high levels of preventable diseases, contributing to the state’s life expectancy being several years below the national average. The population profile varies significantly throughout Tasmania, which has implications for future settlement planning. Tasmania has a lower proportion of people aged 20 to 44 years than the national average, which is shown below in comparison with Victorian net internal migration.

Interstate migration in the twelve months to September 2012 was a net outflow of 2,748 people from Tasmania compared to a net outflow of only 464 people in the previous year (ending September 2011). However, net overseas migration into Tasmania in the twelve months to September 2012 increased by 36.5 per cent on the previous year figures, although the total numbers were small, a net increase from 982 people in 2011 to 1,340 in 2012\(^ {103}\).

Comparison net internal migration by age and Victoria vs Tasmania, 2006–07 to 2010–11\(^ {104}\)

2.4.1 Population growth

Tasmania’s population at September 2012 was 512,175, an increase of just 156 people, or 0.03 per cent, from the year before. Over the same period, the national population grew by 0.45 per cent, fifteen times the growth rate for Tasmania.\(^ {105}\)

The majority of towns have a population of less than 5,000 people. Approximately 58 per cent of the Tasmanian population lives outside greater Hobart compared, for example, to 26 per cent for

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\(^{103}\) Source data: ABS Cat No 3101.0


\(^{105}\) Source ABS Cat No 3101.0]
NSW, making Tasmania the most decentralised state in Australia.

On a regional basis, the largest population growth occurred in southern Tasmania, where there was a 5.1 per cent increase. The northern region’s population grew by 2.7 per cent, while the population of Mersey-Lyell (north-west and west Tasmania) increased by 2.8 per cent.

In addition, the dispersion of population in the three regions of Tasmania must also be understood. In southern and northern Tasmania the population is concentrated in the main population centres of Hobart and Launceston. On the north west coast, the population is dispersed in smaller settlements mainly across the northern coast. In each region, localised approaches are needed to overcome challenges associated with our dispersed population such as planning regulations and the provision of services.

Urban based local government areas (LGAs) are more likely to have higher population growth than rural or remote LGAs. In general, urban LGAs are more likely to have a younger median age and a greater proportion of their population who earn over $1,000 per week, compared to rural LGAs. The location of university campuses appears to have a significant impact on the concentration of people born in non-English speaking countries.

Population movements at the LGA level vary considerably across the state. The LGAs with the greatest population losses include Flinders Island (down 10.2 per cent), West Coast (down 6.6 per cent), while other LGAs experienced significant growth including Latrobe (up 14 per cent), Sorell (up 10.7 per cent), Kingborough (up 9.9 per cent), Brighton (up 9.5 per cent), and Huon Valley (up 8.1 per cent).

2.4.2 Age profile

The median age of Tasmania’s population in 2011 was 40, up from 39 in 2006. The 2011 Census data shows further evidence of Tasmania’s ageing population. The local government areas of

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106 Trends - The Tasmanian Labour Market Review August 2012
107 Trends - The Tasmanian Labour Market Review August 2012
110 Flinders Island has a very small population, so small movements in actual numbers can result in large percentage movements.
Glamorgan Spring Bay, Flinders island, Tasman and Break O'Day all recorded a population with a median age of over 50 years.\[111\]

The number of 60 to 65 year olds increased by 26.3 per cent, 65 to 69 year olds increased by 21.7 per cent, and over 70s increased by 10 per cent. At the other end of the scale there appears to have been a ‘mini baby boom’ in Tasmania between 2006 and 2011, as 0 to four year olds increased in number by 8.8 per cent. It is also significant that there was growth in the 20 to 35 year old age groups, although it is below the average of 3.9 per cent for the whole population. In the 1990s people in this age group departed the state, reducing the potential labour force and compounding the ageing demographic of the population. However, this interstate migration resulted in a net ‘brain gain’ for Tasmania, increasing the percentage of adults in Tasmania holding a post-school qualification.

2.4.3 Demographic change

Tasmania is projected to have net population gain of between 1,000 persons per year to 3,000 persons per year over the next 40 years (Demographic Change Advisory Council (DCAC)).

Tasmania’s population is ageing at a faster rate than any other state or territory. Over the next 20 years, the proportion of Tasmanians under the age of 15 is projected to decline by approximately seven per cent, while the proportion of people aged 65 years and over could grow by almost 60 per cent. Population ageing presents a number of challenges, including maintenance of sufficient workforce numbers, managing increased demand on health and social services and providing appropriate infrastructure such as transport and accommodation.

More than half the population lives outside the capital city area, making it one of the most dispersed and transport-dependent regions in Australia. Rural and remote areas such as the West Coast, King and Flinders islands and the Central Highlands have experienced significant population decline and ageing, which has been associated with a decline in key industries. A corresponding withdrawal of services impacts viability and liveability for the remaining community.

Careful planning and design of, for example, public infrastructure and housing to accommodate the changing composition of households, will be necessary to ensure our cities and regions remain liveable.

Demographic change, in particular ageing, will create a range of social impacts, such as\[112\]:

- different working patterns
- changes in demand for some industries and occupations
- declining enrolments in schools
- changes in the distribution of wealth within families and the community more broadly
- a reduction in average household size and an increase in households comprising elderly persons, particularly elderly single women living alone

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111 Trends - The Tasmanian Labour Market Review August 2012
• an increase in the number of chronic health-related problems associated with an ageing population, such as type 2 diabetes and dementia

• changes in the community’s needs regarding transport, recreation and entertainment, the built environment and other infrastructure requirements.

3. Access to international, national and regional markets:

As an island state, Tasmania is uniquely positioned in its abilities to export its produce to foreign markets. Whilst geographically Tasmania is quite close to the mainland and specifically Melbourne in Victoria, the cost of transporting freight across Bass Strait remains prohibitive. This cost imposition has a profound effect on Tasmanian business competitiveness and the ability to secure and maintain market share with other Australian and International businesses. Creating efficiencies in freight forwarding and logistics remains one of the biggest challenges for Tasmania. Finding solutions to address these challenges will take time and resource.

Tasmanian merchandise export statistics for the 2011-2012 financial year were valued at over $3 billion, an increase of $25 million on the previous year. The Food and Beverage sector has maintained its market share with a less than 2% fall despite a high Australian dollar during the period placing pressure on product competitiveness. Higher demand for copper and iron ores and concentrates provided for gains both in dollar terms and volume. Similarly demand for aluminium and zinc products maintained the status quo for processed metals and metal products. Overall, any gains were offset by the continuing decline in the demand for woodchips that continue to reduce in value and volume.

Mainland China remains as Tasmania’s largest export market with over $735 million in exports. The United States of America is the second largest export market followed by Taiwan, Japan, Malaysia and India.

The following graph provides comparative figures for merchandise exports over the past three years by Tasmanian total, by international region and individual trading partner country.

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113 Australian Bureau of Statistics Merchandise Exports, Tasmania 2011-2012 (Source: Int Trade in Goods and Services Australia)
114 Tasmania’s International Exports 2011-2012 Department of Economic Development Tourism and the Arts
3.1 Infrastructure

Infrastructure is one of the key levers that government has to increase productivity and economic growth and meet its policy objectives. Tasmania is the only state to have a single entity coordinating infrastructure priorities. The Tasmanian Infrastructure Advisory Council was established in May 2011, with an aim to:

- promote and advance a coordinated approach to planning and delivery of economic infrastructure in Tasmania
- foster a shared understanding of opportunities and impediments for planning and provision of economic infrastructure between government, infrastructure managers, planners and industry and provide the Tasmanian Government with advice on those opportunities and impediments.

Current major Tasmanian infrastructure initiatives focus on transport, energy, water and sewerage, irrigation and broadband.\(^\text{115}\)

3.1.1 Transport

Air and sea access is an integral part of our island lifestyle, it is essential to tourism and the broader economy. Business is heavily reliant on the ability of the transport system to move freight from producers to processors and on to local, national and international markets. Linkages with Tasmania’s northern ports are critical as these are the departure points for the majority of the state’s exports. Freight equalisation is available for some goods and services but with restrictions. For instance, transport from the Tasmanian mainland to outlying islands attracts no subsidy as this is not considered interstate, but transport between these islands and Victoria does attract a subsidy.

By 2020, it is predicted that there will be capacity constraints at the major northern ports without further infrastructure investment. Within the Hobart ports precinct, strategic investment in infrastructure will generate economic benefits from servicing Antarctic vessels and expanding the successful cruise ship market.\textsuperscript{116}

After the loss of the regular international shipping service at Bell Bay, limited international carriage is now operating to support some exporters. Due to Tasmania’s location and the types of goods being exported, it may be some time before another regular international carrier will be available.

The State Government has created a new position of Director-Aviation and Access Development as part of their response to the Tasmanian Access Report released in December 2012. While the position is to be based at Tourism Tasmania, the role will be responsible for a whole of government approach to access issues. These will include infrastructure, policy, investment attraction and freight and to work closely with airports, airlines, seaports, cruise lines and the freight sector to support the future development and growth of the state’s economy.

The federally funded Freight Logistics Co-Ordination Team, consisting of industry representatives and transport and logistics specialists, will release its preliminary findings in late 2013 with recommendations to the State and Federal Governments in regard to Bass Strait Shipping. This will include supply chain mapping for shippers, future port infrastructure requirements, intra island transportation and possible upgrades to the existing freight equalisation scheme. This report will also consider current and potential future industry sectors including mining, agriculture, aquaculture and advanced manufacturing and their respective ongoing transportation needs and how these needs will be considered in line with any longer term recommendations.\textsuperscript{117}

Similarly, the Freight Logistics Council of Tasmania’s Freight Transport Strategy to 2050 has provided recommendations to State and Federal Government on future freight needs for Tasmania including potential port infrastructure needs for the future, infrastructure investment and intra island transport needs.\textsuperscript{118}

In December 2009, the Tasmanian Government purchased Pacific National’s Tasmanian rail assets and established the Tasmanian Railway Corporation Pty Ltd (TasRail). The State Department of Infrastructure, Energy and Resources (DIER) has developed priorities for investment and operations.

Ongoing improvements in rail will be supported through Federal and State Government investment to develop and maintain a viable rail service for the state that reduces the need for heavy haulage movements on the road network.\textsuperscript{119} Sections of rail requiring upgrade include the Brighton to Bell Bay and Burnie line with concrete sleepers and remedial work on the Bell Bay, Melba and Fingal Lines.\textsuperscript{120}

\textsuperscript{116} Tasmanian Government Submissions, Infrastructure Australia

\textsuperscript{117} http://www.dier.tas.gov.au/publications/submission_to_infrastructure_australia

\textsuperscript{118} Tasmanian Freight Logistics Council – Tasmanian Freight Transport Strategy to 2050

\textsuperscript{119} http://www.dier.tas.gov.au/publications/submission_to_infrastructure_australia

\textsuperscript{120} Tasmanian Freight Logistics Council – Tasmanian Freight Transport Strategy to 2050
In regard to Air Freight, the potential introduction of a regular Air Cargo service to Tasmania is one initiative being considered that will reduce the cost and transportation timeframe for smaller goods. This service could be considered for high cost perishable materials that require faster transportation and for smaller component freight for manufacturers that could reduce the overall cost of freight.

Around 89 per cent of all visitors to Tasmania on scheduled air and sea services travelled by air as at June 2013\(^1\). A record 2 million passengers passed through Hobart's airport during the 12 months to June 2013, a 12 per cent increase on the previous financial year, making it Australia's ninth busiest airport\(^2\).

Ongoing and regular upgrades to the Tasmania highway network continue in line with the priorities of the State Department of Infrastructure Energy and Resources (DIER). Priorities include the Midlands Highway, Bell Bay Main Road and Murchison Highway. These upgrades are partially supported by Infrastructure Australia through the Federal Government.\(^3\)

### 3.1.2 Energy

Unlike the rest of the nation, the majority of Tasmania’s energy used is sourced from renewable and low-carbon, hydro-electric generation. Renewable hydro and wind power currently represents 87 per cent of mainland Tasmania’s installed electricity generation capacity.\(^4\) This gives Tasmania a competitive advantage in the new carbon economy. Furthermore, the state has continued investment in four major energy infrastructure projects: Basslink, the Tasmanian natural gas project, Woolnorth and Musselroe wind farms.\(^5\)

The potential exists for expansion of export “green” energy through to the mainland as more renewable energy generation capacity is provided through the Woolnorth and Musselroe windfarm networks. The opportunity for investment in a second Bass Strait Interconnector to supply this energy could be a viable option which could provide a longer term income stream to the Tasmanian economy.

Tasmanian electricity customers have been part of the National Energy Customer Framework (NECF) since 1 July 2012 and businesses that supply and sell electricity to customers in Tasmania are now being monitored the national Australian Energy Regulator (AER)\(^6\). From 1 January 2014, Aurora Energy will no longer operate in Tasmania as an electricity retailer and will be replaced by at least two competing private sector retailers. All residential and small business customers will, for the first time, be able to choose their electricity retailer\(^7\).

In 2003, the natural gas pipeline was completed providing a backbone distribution throughout Tasmania and linking the state to the national network. In addition, retail distribution has been extended to some towns and suburbs. The initial gas rollout reached 38,500 households\(^8\) although the initial expectation was to reach 100,000 homes. Recent

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electricity price rises have raised the question of increasing the domestic gas roll out to provide more equitable access to the option of economical gas heating.

### 3.1.3 Water and sewerage
Tasmania’s drinking water and sewerage sector is undergoing significant structural and regulatory reforms, with the existing three regional corporations to be amalgamated into one state wide organisation – Tasmania Water and Sewerage Pty Ltd. This new authority, TasWater, began operation in July 2013.129

Ongoing maintenance and upgrades of existing infrastructure for Tasmania’s urban and regional communities will need to be made when financial support becomes available. Ongoing water and waste management strategies for the North West, Northern and Southern Regions will need to reflect these requirements and consider longer term strategic infrastructure planning based on population shift and industry development.

### 3.1.4 Irrigation
Tasmania is in a unique position to provide water surety for agricultural products through the provision of irrigation infrastructure, leveraging our natural advantage of high rainfall and arable land.

Tasmanian Irrigation was created on 1 July 2011 as the single Tasmanian Government irrigation entity responsible for irrigation development and operation. Tasmanian Irrigation is taking a suite of new projects from feasibility assessment through to the construction and operational stages and it operates existing developments including the Meander Valley and Coal River schemes. The capital cost of these schemes is shared between the community and the private sector. A total of $220m has been earmarked by the Tasmanian and Australian governments to progress the water developments.

The construction phase is underway on two projects in the midlands of Tasmania, the Midlands Water Scheme – Arthurs and the Lower South Esk Irrigation Scheme.130 Ongoing planning for future roll out continues with the Scottsdale Irrigation Scheme option being considered by the districts farmers and local residents.131

### 3.1.5 NBN Broadband
It is planned that, by 2015, Tasmania will have the best fixed consumer broadband in the world through the current roll out of National Broadband Network; and it will be the first state in Australia to be fully connected. There is an opportunity for greater investment in mobile and wireless infrastructure, in applications, in smart grids and other system-wide digital technologies.

Once completed, Tasmania will be able to leverage the benefits of the NBN within business and communities giving regional areas comparative advantages in areas such as health, education, service delivery and business applications. 132 In 2010, the State Government established the Digital Futures Advisory Council to provide independent, expert advice to the Tasmanian Government to advance the digital economy and leverage opportunities from the National...
Broadband Network.

Nine of the 29 local councils in Tasmania have been successful in attracting funding under the Digital Local Government Program, and four more councils are eligible for Round 4 of the program that opened in May 2013. Projects include enhanced building and development application services including videoconferencing technology and a video-based online emergency management system.\textsuperscript{133}

4. Comparative advantage and business competitiveness

4.1 Regional economic strengths

The Tasmanian Government released the Economic Development Plan in August 2011. The plan is underpinned by comprehensive research and consultation and provides a clear direction for the region’s economic development priorities. The following information is taken from Goal Two of the Economic Development Plan and presents the key sectors that maximise the region’s economic strengths.\textsuperscript{134}

4.1.1 Food & Agriculture

Tasmania has a strong agricultural tradition and the sector is highly diversified, underpinned by excellent growing conditions, affordable land, relative disease and pest freedom, abundant water resources and strong research and development capability. Issues shared by all food and agriculture industries are market development, business development, labour force skills and regulatory burdens.

The National Food Plan was released in May 2013 that is designed to help Australian food businesses overcome their diverse challenges and to benefit from emerging markets in Asia.\textsuperscript{135} Tasmanian Farmers and Graziers Association, along with National Farmers Federation and many other industry groups, made submissions on the discussion paper during the public consultation period. The plan proposes to achieve an internationally competitive and productive food industry through investment in research and development, adopting innovative biotechnology, seeking foreign investment, promoting a free market and expanding agricultural regions.

Dairy: Tasmania’s temperate climate, fertile soils and reliable rainfall support low cost, pasture based milk production and the processing of a range of dairy products for domestic and international markets. Dairy is now Tasmania’s single biggest agricultural industry. Key issues for the industry include the development of supply chain relationships, industry expansion and efficient use of natural resources.\textsuperscript{136}

Wine: The Tasmanian wine industry is a relatively small but high value and high profile industry. It has close linkages to the tourism sector and makes a significant contribution to the Tasmanian economic development.
brand. The Tasmanian wine industry produces cool-climate wines of high quality and value with a focus on the premium and super premium end of the market. There is potential to significantly grow the industry over time which is likely to require new investors, however the demand for Tasmanian wines must grow first.

**Salmon:** Atlantic salmon is one of Tasmania’s largest interstate food export trade items with the high quality of Tasmania’s product contributing to the establishment of a strong domestic market. Other secondary industries have also emerged as a result of marine farming, creating additional economic and employment opportunities. There is capacity for further sustainable industry growth. Key issues affecting the salmon industry include limited access to water in existing marine farming development plan areas, the availability of water leases for farms, fish health, climate change impacts on water temperatures and balancing industry expansion with environmental sustainability and community acceptance.

**Fruit:** Fruit, including apples, stone fruit and berries, is grown and packaged primarily for high value fresh fruit markets both domestically and internationally. The industry leverages Tasmania’s seasonal advantages and fruit fly-free status. Key issues for the industry include biosecurity, competitiveness (particularly for the apple sub sector), access to affordable and reliable water, and the impact of climate change and climate variability. Opportunities for growth include increased market access into Asia, and development of niche products and markets.

**Vegetables:** The combination of a cool growing climate, good soils and rainfall, and skilled and efficient producers allows Tasmania to produce high quality vegetable products. Key issues include global competitiveness, particularly for the processing sector, along with access to affordable and reliable irrigation water. The recent closure of a vegetable processing plant at Smithton was in part caused by substantial differentials between Tasmania and New Zealand in the cost of growing and processing vegetables. The future focus for the Tasmanian vegetable sector is on increased efficiency, market development, seasonal opportunities and quality products. While the processing sector is facing challenges it has the potential to stabilise and diversify. There are good opportunities available in the fresh vegetable sector and that sector is growing strongly.

**Red meat:** For the red meat industries (beef and sheep meat), Tasmania’s point of difference is linked to a ban on hormone growth promotants and a moratorium on genetically modified (GM) products, low-cost, high-quality, primarily pasture-based production, and the development of differentiated brands and products based on quality, within domestic and international markets. Particular issues for the sector are maintaining biosecurity, enhancing product integrity, accessing abattoirs and raising on-farm productivity through better utilisation of pasture.

### 4.1.2 Mining & Mineral processing

Tasmania is one of the most highly and diversely mineralised areas in the world, supporting growth in the mining and mineral processing sectors. Tasmania has a number of iconic enterprises in these sectors. The largest include Nyrstar, Rio Tinto Alcan, BHP Billiton Temco, Cement Australia, Grange Resources (Savage River and Port Latta), MMG (Rosebery), Vedanta (Mt
Lyell), and Metals X (Renison). A significant factor in Tasmania’s economic development during the last century was the development of these businesses and the associated development of energy infrastructure. Investment and demand from markets such as China and India is continuing to underpin the growth in mining in Tasmania. The broad, global economic factors that shape the industry make it difficult to forecast the future growth trends of the Tasmanian mining sector. However, the industry sector has achieved strong growth in the recent past and this trend is likely to continue in the medium term as long as China and India continue a strong growth path. Tasmania has extensive high-grade mineral deposits which are close to transport infrastructure, coupled with supportive legislation for exploration and development. Key issues for the sectors include waste management, rising energy costs, transport infrastructure, attraction and retention of skilled people and environmental opposition.

4.1.3 Forestry and related products
The Tasmanian forestry sector is an integrated industry that encompasses both native forest and plantation resource (both softwood and hardwood), the production of logs, woodchips, hardwood and softwood sawn timber, pulp and paper production, veneer and other wood products.

The Tasmanian forestry industry is going through a process of structural transformation brought about by changing markets. The Tasmanian Forests Agreement has been designed to support forest workers, contractors and communities as a response to the changes that are occurring in the forest industry due to market forces and changes in product demands. The Tasmanian Forests Agreement will protect high conservation value forests and ensure sustainable wood supply to support Tasmania’s forest industry. The Tasmanian Forests Agreement also makes available funding of $120 million over 4 years towards economic diversification projects across Tasmania.

4.1.4 Specialist manufacturing
Tasmania’s specialist manufacturing industries include such major iconic enterprises as Caterpillar Underground Mining and Incat, and a range of businesses supplying these and other key manufacturers. Manufacturers across Australia are presently challenged by high Australian dollar exchange rates as well as the need to maintain competitive production efficiency.

4.1.5 Science and research
Tasmania’s natural advantages of geography, abundant water and wind resources and a stable population have resulted in a vibrant and diverse science and research sector with expertise and capabilities in a number of niche areas, including temperate marine, Antarctic, agriculture, renewable energy and population genetics. The Research and Science sector generates significant benefits to the State, attracts offshore investment and provides high quality employment opportunities. It also supports and maintains a highly skilled scientific and research orientated workforce, as well as various world-acclaimed institutions. This is largely attributable to the geographical, lifestyle and community-based advantages that Tasmania enjoys. The total University of Tasmania economic contribution to Tasmania is estimated at $1.7 billion a year, and the University’s annual budget for 2013 will, for the first time, exceed half a billion dollars. Key
issues for this sector include attracting and retaining highly skilled researchers, and obtaining funding for research, including support for research infrastructure.

4.1.6 Antarctic Tasmania

Tasmania is a hub of expertise in Antarctic, sub-Antarctic and Southern Ocean science, research, education and logistics with the greatest concentration of Antarctic and Southern Ocean scientists and institutions of the five Antarctic gateway cities. (Punta Arenas, Ushuaia, Cape Town, Hobart, Christchurch). Hobart is the headquarters of Australia’s Antarctic program and gateway home for the French program (Institut Polaire Francaise Paul Emile Victor).

Tasmanian businesses possess world-class cold-climate products and services. The Antarctic sector is collaborative and well organised by the unique research, government and business membership alliance the Tasmanian Polar Network. Key issues for the Antarctic sector include increasing the capabilities of the port and airport infrastructure to service East Antarctic programs, promoting Tasmanian businesses’ specialist cold-climate products and services to export markets, and supporting the growth of Antarctic and Southern Ocean research.

4.1.7 Renewable energy

Tasmania’s natural competitive advantages in renewable energy include proven hydro and wind resources and emerging ocean, geothermal and bio-energy resources. Tasmania also has significant renewable energy research, industry and government knowledge and capabilities. In the longer term, a second electricity interconnector (to Victoria across the Bass Strait) may become viable and generation technology may evolve at a price that will enable the conversion of ocean, geothermal and bio-energy resources into safe, secure and commercially viable quantities of renewable power.

4.1.8 Information communication technology

Information and communications technology (ICT) is a key economic enabler and its use is fundamental to participating in the digital economy. The sector is ideally placed to take advantage of opportunities arising nationally and internationally from next generation broadband and engagement in the digital economy. Tasmania’s first-starter advantage in the rollout of the National Broadband Network (NBN) offers both local ICT businesses and the local ICT research community development and test-bedding opportunities for, in particular, niche NBN-capable applications and services. Challenges for Tasmania include the limitations of optical fibre backhaul across Bass Strait.

4.1.9 Tourism

Tourism plays a vital role in the life and economy of almost every part of Tasmania and directly and indirectly contributes about $2.0 billion or 8.0 per cent to Gross State Product (GSP). The direct and indirect contribution of tourism in Tasmania to GSP is the second highest in the country. Tasmania’s tourism brand is well recognised in the Australian context and the emergence of the Saffire resort, the Museum of Old and New Art and the development of new trails including a new iconic wilderness walk on the Tasman Peninsula, lend weight to the sector’s growth prospects. Festivals and events such as The Taste of Tasmania, MOFO, Junction Arts

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Festival and Festivale are significant drawcards as are sporting events such as the Burnie Ten and AFL football. There are challenges however and the shortage of accommodation generally in Hobart during peak tourist seasons and the cost of and frequency of access to and from the island must receive ongoing attention if Tasmania is to achieve its tourism industry potential.

In 2012, four regional tourism organisations were established that cover the south, east, north and north-west regions of Tasmania. The organisations take on the destination management planning, regional promotion and industry development previously facilitated by the State Government’s Tourism Tasmania, which now focuses on research and state level promotion.

4.2 Regional comparative advantages and regional economic opportunities

Tasmania has the capability to produce a range of high quality products, services and experiences. This is the result of various factors such as people, geography, businesses, innovation and clustering that influence the region’s ability to lead in their respective markets.

The following is a list of factor conditions and examples of Tasmania’s regional comparative advantages and regional economic opportunities:

4.2.1 People:

Social connectivity – Being a compact state with a smaller population base, Tasmania provides easy networking opportunities and the ability to consult with the highest decision makers including politicians, government agency heads or industry leaders.

Comparative advantage in Tasmania is created by regional networks that inter-connect across disciplines, industries and communities. Whilst it is possible to identify individual factors that generate comparative advantage, their success is inevitably due to their regional relationships rather than their stand alone ability.

Workforce demographics – Tasmania has a highly skilled and available workforce. It also has a stable workforce; recording Australia’s second highest labour retention rate and the best industrial relations record.

Older people have extensive knowledge, skills and experience to contribute to the workplace and Tasmania’s ageing population represent a growing number of people who can contribute to labour productivity.

Education – The University of Tasmania, one of the oldest universities in Australia, is at the leading edge of regional partnerships that deliver tertiary education opportunities and specialised research. Examples of partnerships include Sense Tasmania (Sense T), the Menzies Research Institute, the Australian Maritime College, the UTAS Creative Industry and Performing Arts project, the Australian Innovation Research Centre, and CSIRO Marine and Atmospheric Research, the CSIRO Intelligent Sensing and Systems Laboratory, Australian Antarctica Division, the
Antarctica Climate and Ecosystems Cooperative Research Centre and the Institute for Marine and Antarctic Studies.

4.2.2 Place

**Water** - our most significant natural resource advantage is water. Tasmania receives nearly 13 per cent of Australia’s annual rainfall even though it accounts for only 1 per cent of the total land mass. This supports growth in the agriculture sector through significant new irrigation infrastructure.

**Biosecurity** – The ocean surrounding Tasmania and the 240 km wide Bass Strait separating the region from the mainland serves to allow strict quarantine conditions and the control of animal and plant species. Tasmania is the only state in Australia free from fruit fly, potato cyst nematode and tobacco blue mould and therefore can export a number of fruit and vegetables to countries which restrict product entry where there is a risk of introducing such pests and diseases. Often the Tasmania product does not need to be fumigated, thus ensuring a superior quality. The absence of major pests and diseases means that Tasmanian farmers are able to use fewer chemicals to protect their crops and animals\(^{146}\).

**Climate** – The mild climate, good quality water, fertile soils, four distinct seasons, isolation and clear atmosphere make Tasmania an ideal place for producing pure, high quality products. Horticulture, red meat, dairy, aquaculture, fisheries and viticulture operations all thrive in these conditions\(^{147}\).

**Natural environment** – Tasmania is actually a group of over 330 islands. It is rich in natural assets and has an unspoilt beauty which attracts visitors from all over the world. It has extensive and spectacular park systems which contain distinctive combinations of flora, fauna and landscapes including many endemic species\(^{148}\). Around 40 per cent of the region is protected for its high conservation value. Natural icons that form a strong part of Tasmania’s brand include the Tasmanian Devil, Cradle Mountain, Wine Glass Bay, Stanley’s The Nut and the South West Wilderness.

**Geography** – Tasmania is 296 km long and 315 km wide, providing short distances between population areas and short transportation times; no one lives more than 1.5 hours from the sea and in most instances producers are located less than 100km from their farm or factory to port or transit hub, providing fast access to distribution points\(^{149}\).

**Historic Heritage** – Aboriginal artefacts dating to 40,000 years before present have been discovered at the Jordon River Levee in southern Tasmania, making them some of the earliest evidence of human life in Australia\(^{150}\). Heritage attractions such as Port Arthur Historic Site and heritage settings such as Salamanca Market are among the most popular visitor attractions in Tasmania. Intact collections of Georgian and Victorian streetscapes and precincts are evident in Hobart, Oatlands, Ross and Launceston, and are a notable feature of Tasmania. The significance

\(^{146}\) Tasmania’s Natural Advantage, DPIPWE
\(^{147}\) Tasmania’s Natural Advantage, DPIPWE
\(^{148}\) Tasmania’s Natural Advantage, DPIPWE
\(^{149}\) www.development.tas.gov.au/invest
\(^{150}\) Final Archaeology Report on the Test Excavations of the Jordon River Levee Site Southern Tasmania, R. Paton, August 2010
of Tasmania’s convict sites is recognised internationally with the inclusion of five Tasmanian sites on the World Heritage List\textsuperscript{151}.

**Liveability** – Tasmania is a remarkably liveable place and, in particular, is increasingly ‘recognised, around the world, as an attractive place to live and work’. Tasmania’s natural heritage, diverse range of arts and culture, lifestyle and public open spaces are all attributes of a liveable place. Opportunities include access to extensive natural areas, beaches and waterways; relatively uncrowded cities and community/visitor attractions, good quality of air and drinking water.

Recent accolades for Tasmania include Launceston’s designation as Australia’s most family friendly city\textsuperscript{152} and Hobart becoming the travel guide Lonely Planet’s top place to visit\textsuperscript{153}.

4.2.3 *Business Competitiveness and Innovation*

**Business conditions** - Tasmania has a business environment conducive to investment and development, for example: 2\textsuperscript{nd} lowest taxation severity in Australia\textsuperscript{154}, second lowest total cost of employing workers in Australia\textsuperscript{155}, Hobart has Australia’s lowest property rental costs for all capital cities\textsuperscript{156}, and land is more affordable in Tasmania, when seen as a comparison of median lot prices between Australia’s capital cities\textsuperscript{157}.

**Research and analysis** – Tasmania being both a region and a state, means that data and other information are available that allow patterns and trends to be identifies that aren’t possible in other states where information on big urban areas is combined with rural and regional areas\textsuperscript{158}. Tasmania’s geographic, demographic and economic diversity along with its size results in an ideal test bed for research and development\textsuperscript{159}. The University of Tasmania’s Menzies Research Institute has conducted research at this regional level. Tasmania is often used to test products; contemporary examples include the roll out of the National Broadband Network and part of the National Disability Insurance Scheme for service users aged between 15 and 24.

**Sense Tasmania (Sense-T)** – Sense-T is the world’s first economy-wide intelligent sensor network that feeds into a single, large scale integrated information system\textsuperscript{160}. It will help business, government and citizens make better decisions and plan around accurate information. Sense-T is a partnership program between the Tasmanian Government, the University of Tasmania, CSIRO and IBM.

**Clean Energy** - Tasmania is uniquely positioned with the majority of its energy needs derived from renewable sources. Tasmania is well ahead of other states in the percentage of renewable energy used, providing possibilities for industry to derive their energy needs from a predominantly renewable source in accordance with the Federal Government’s clean energy initiative.

\textsuperscript{151} Historic Heritage Tourism Strategy 2012 – 2015, Tourism Tasmania, May 2012
\textsuperscript{152} Suncorp Bank Family Friendly City Report, 2013
\textsuperscript{153} Lonely Planet’s Best in Travel Top 10 Cities for 2013
\textsuperscript{154} Commonwealth Grants Commission – Report on GST Revenue Sharing Relativities
\textsuperscript{155} ABS, Labour Costs, Catalogue No.6348.0. 2010-11
\textsuperscript{156} Residential Land Report, June 2009, RP Data
\textsuperscript{157} Obstacles To Progress, Griffith Review Edition 39, J. West, 2013
\textsuperscript{158} Invest in Tasmania
\textsuperscript{159} www.development.tas.gov.au/invest/why_tasmania/reseach_and_development_focussed_community
\textsuperscript{160} www.sense-t.org.au
4.2.4 Clusters

**Advanced Manufacturing** - Caterpillar Underground Mining is a global-scale specialised mining machine manufacturer in Burnie on Tasmania’s north-west coast. 24 firms supply to Caterpillar Underground Mining and a number of other specialised manufacturing companies also share much of the same supply chain, creating an advanced manufacturing cluster.

**Metal Processing** – Bell Bay in northern Tasmania is an industrial centre and port based primarily around metal processing and includes the Bell Bay Aluminium (formerly Rio Tinto Alcan) aluminium smelter, the BHP Billiton TEMCO manganese alloy plant, an Ecka Granules plant and a number of other companies within their supply chains. Bell Bay also features wood processing companies that benefit from the infrastructure and energy supply provided for Bell Bay.

**Antarctic Research** - Tasmania is a hub of expertise in Antarctic, sub-Antarctic and Southern Ocean science, research, education and logistics and has the greatest concentration of Antarctic and Southern Ocean scientists and institutions of the five Antarctic gateway cities.

**Marine Manufacturing** – Incat is a manufacturer of high speed aluminium catamarans based in Hobart that supplies commercial vessels and defence force vessels. A number of companies have grown alongside Incat and have formed the Tasmanian Maritime Network; many of these firms such as Liferaft Systems Australia have matured to become international exporters in their own right.

**Sparkling Wine** – Tasmania’s Pipers Brook in the north of the state is a world leader in the production of premium sparkling wine. It is where Australia’s most highly recognised sparkling wine maker Ed Carr produces his flagship House of Arras range, and the home for other globally recognised premium wine brands such as Jansz and Kreglinger.

4.3 Regional arts, creative and sporting industries (including infrastructure, participation and priorities).

4.3.1 Arts and Creative Industries

Tasmania has a creative and culturally distinctive arts environment, with an energetic and thriving arts scene. The state has inspired and attracted many different creative artists, writers and musicians from around the world, with a vibrant arts scene, strong participation rates and an appreciative audience.

Tasmania has a range of world-class facilities and programs to cater to the Tasmanian community, including the Theatre Royal of Hobart, Australia’s oldest working theatre; the internationally renowned Tasmanian Symphony Orchestra; significant public museum and art galleries with the recently refurbished Tasmanian Museum and Art Gallery in Hobart and the Queen Victoria Museum and Art Gallery in Launceston (Australia’s largest museum outside of a capital city); the Museum of Old and New Art (MONA), Australia’s largest private museum and art gallery; and the Salamanca Art Centre. The University of Tasmania has received Commonwealth funding to develop an Academy of Creative Industries and Performing Arts in Hobart.
Tasmania is host to national and international festivals, including, 10 Days on the Island, MONA FOMA and Dark MOFO in Hobart, Junction in Launceston and the Tasmanian Arts and Craft Fair in Deloraine. The Glover art prize, the richest annual prize for landscape painting is awarded in Campbelltown. Tasmania also contains an amazing range of landscapes for production and location filming.

Research conducted in Tasmania by the University of Tasmania signifies that considerable cultural activity operates within the social enterprise environment, which does not register on current policy or program settings of most governments. Of the 111 social enterprises surveyed, 44 per cent of these operated within the arts and recreation services.

Over 1,100 actively trading businesses in Tasmania were in a cultural industry at the start of the 2008-09 financial year, which includes architectural services, creative artists, musicians, writers and performers. In 2009, Tasmania’s household expenditure on cultural goods and services was $381 million, averaging $35.76 per week.

Tasmania is deeply resourced in cultural infrastructure but challenged by a high reliance on State or Local Government funding to keep many museums, theatres and galleries operating. A priority for many facilities is to look at how they can become multi functional spaces that can strategically deliver economic and community development outcomes across the region.

4.3.2 Sport and Recreation

Tasmania has a range of sport and recreational infrastructure and facilities and natural environment – bushland, rivers, mountain and sea – to cater for the sport, recreation and physical activity needs of the community.

Work is being undertaken to identify the priority infrastructure needs across Tasmania by the State Government. There is a need to undertake a state wide audit of current sport and recreation infrastructure, and layer this information over the identified community and sporting association needs. This work would account for Tasmania’s national and international sporting facilities, including ongoing redevelopment of Aurora Stadium located in Launceston, and the Blundstone Arena (formerly Bellerive Oval) located in southern Tasmania; the identification of regional facilities and local sporting infrastructure for organised, non-organised and incidental activity.

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162 Tasmanian Social Enterprise Study - Baseline Study Report, Dr R. Eversole, K. Eastley, Institute for Regional Development, University of Tasmania, May 2011
163 Cultural Report 2012 Tasmania, National Centre for Cultural and Recreation Statistics, March 2012
164 Sport and Recreation Tasmania Strategic Plan 2009 – 20014, Updated October 2011
STAKEHOLDER CONSULTATION

1. Partnerships – Intergovernmental and integrated regional planning

1.1 Tasmanian Government

RDA Tasmania continues to work with the Tasmanian Government in respect of the Regional Economic Development Plan (REDP) process through the Department of Economic Development, Tourism and the Arts (DEDTA). This process involves ongoing consultation with relevant stakeholders including Federal and Local Government, Industry and the broader community to identify and implement agreed strategies to achieve the stated goals and objectives identified in the REDP’s. Continuing participation in the three regional reference groups (that provide advice to the Tasmanian Government on the REDP’s) is part of this process and will help design and shape the strategies and outcomes for stakeholders.

1.2 Local Government, Industry and Community

Actively consulting with and participating in regional community committees at local government, industry and community level is vital in helping to understand the needs of Tasmanian regional communities. RDA Tasmania allocates significant resource to ensure that it is informed and aware of these needs through participation in reference groups such as:

- Tasmanian Logistics Committee – Partnership between the Freight Logistics Council of Tasmania, Tasmanian Chamber of Commerce and RDA Tasmania
- Hobart City Council Community Sector Reference Group
- Engagement with regional bodies Northern Tasmanian Development, Cradle Coast Authority and Southern Tasmanian Councils Authority
- East Coast Community Network Meetings
- Burnie Local Advisory Group – Better Futures Local Solutions. Department of Human Services
- Devonport Chamber of Commerce and Industry (DCCI) Industry Advisory and Innovation Group
- Launceston City Council Economic Development Committee
2. Stakeholder Engagement – Conferences and Workshops

RDA Tasmania collaborates with a number of regional organisations, government bodies and community based groups to provide informative briefings on regional issues and to also extract and gather valuable feedback.

Examples of recent workshops and forums RDA Tasmania has contributed to include:

- Cradle NRM / RDA Tasmania Carbon Forum
- Community Conversations – REDP rollout in North West, Northern and Southern Tasmania
- Devonport Chamber of Commerce and Industry (DCCI) Industry Advisory and Innovation Group – facilitation of workshops
- Tasmanian Logistics Committee – Partnership between the Freight Logistics Council of Tasmania, Tasmanian Chamber of Commerce and RDA Tasmania- facilitation of committee meetings
- Grant Writing Workshops – for general grant funding and for RDAF round funding for potential applicants
- Community Transport Forum - the first time all the various stakeholders in community transport had come together
- ABS Census Forums – providing an opportunity to suggest questions for the 2016 Census
- Digital Switchover – liaison with communities to prepare for the closure of the analogue TV signal
- Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) Regional Outlook Conference
- Local Government Association Tasmania Annual Conference – session sponsors and exhibitors
- Tasmanian Leaders Program – session sponsors
3. Development of the RDA Tasmania Regional Plan – Consultation with Stakeholders

The RDA Tasmania Regional Plan is reflection of the current “state of play” for the Tasmanian region that includes a summary of understanding on the economic, demographic and environmental conditions as well as real and potential challenges and opportunities for the state.

Stakeholder consultation and feedback is imperative to validate the collective understanding reflected in the plan. Engagement to seek opinion is done through one on one consultation with key stakeholders including State and Local Government and through invitation for feedback to our RDA Tasmania database members. The summary of feedback is then collated, considered by the RDA Tasmania committee and the final draft reflects a wide variety of input and opinion.

Ultimately the findings, recommendations and suggested strategies included in the RDA Tasmania Regional Plan will need to be supported by all stakeholders to give the document relevance and credibility. Because the plan is a reflection of current conditions that are both externally and internally influenced, they will be subject to change and need to be regularly reviewed to ensure that the content remains relevant.

3.1 Ongoing consultation and review of the RDA Tasmania Regional Priorities

The RDA Tasmania Regional Plan is a “living document” which is reviewed annually. Within the 12 month period of the plan being released, RDA Tasmania will continue to seek feedback through regular consultation, forums and community engagement to build on the knowledge of understanding reflected in the plan.

Whilst having a fully comprehensive document that accurately reflects the needs of the Tasmanian region is the ultimate aim, RDA Tasmania is realistic in its approach to continually improve the content of the plan so that every 12 month release is a compilation of collective understanding that is based on factual research and qualified opinions from established respected sources.