NORTHERN TASMANIA REGION

The RED Strategy: 2019

Growing our future together.

Contents

Northern Tasmania: Connected, Innovative and Liveable 5

Preface from the NTDC Board 7

Introduction 8

Background 9

Strategic Context 11

Regional Endowments 13

Specialisations 16

Challenges 17

Targets 18

Vision 19

Strategic Priorities 20

- 1) Increasing Exports 21
- 2) Population Growth 24
- 3) Innovation 26
- 4) Investment 28
- 5) Infrastructure 30
- 6) Participation and Productivity 32

Implementing the Strategy 34

Appendix 1: Metrics for Northern Tasmania 39

Appendix 2: Developing the REDS 42

Appendix 3: Regional Strategies and Plans 43

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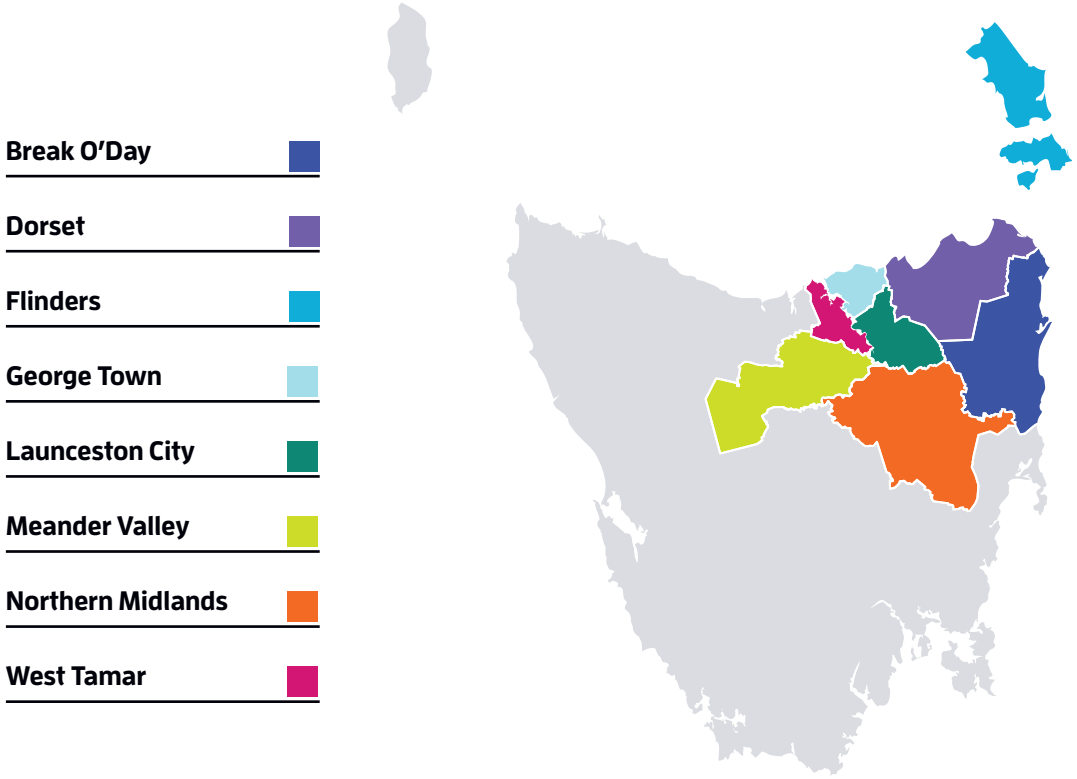
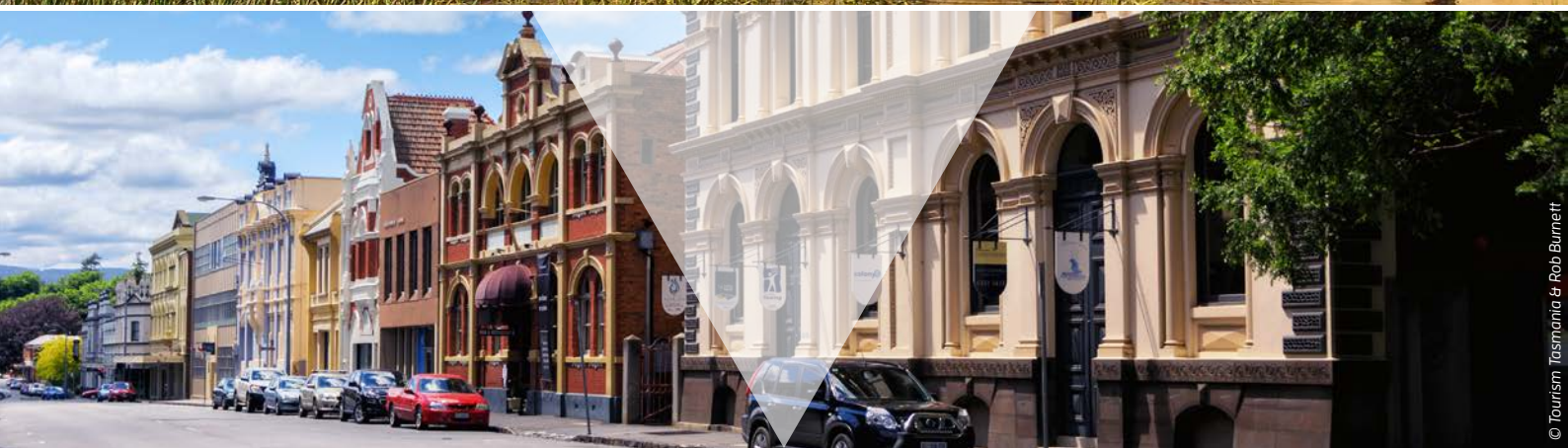
Northern Tasmania Region

Figure I



ACKNOWLEDGEMENT

Northern Tasmania Development Corporation acknowledges and respects the Tasmanian Aboriginal community as the traditional and original owners and continuing custodians of this land.



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Northern Tasmania: Connected, Innovative and Liveable

Northern Tasmania lies between 41 and 42 degrees south. Its two coastlines face north and east, so, its climate is maritime and temperate, with showers at all seasons and generally mild winters. It occupies one third of the state and is home to 144,000 residents.

A Connected Region

- The regional City of Launceston is just one hour's flight from Melbourne. It is the region's service hub and a gateway into Tasmania. Australia's first Gigabit City, Launceston is one of a very few Australian cities with fibre to the premises.
  - The region is equipped for the digital economy with a Smart City initiative, a LoraWAN network, electronic product design/manufacturing and research and development capability through the University of Tasmania's Sense T project.
- The region enjoys excellent, reliable air and shipping services that enable interstate and international freight and logistics, with capacity increasing to meet a predicted 50% growth in exports from tourism, agriculture, metal processing, and forestry. Worth of note:
  - The Bell Bay Industrial Precinct of 2,500 hectares has access to green hydro power which supports Bell Bay Aluminium (Rio Tinto) South 32 TEMCO manganese smelter, and other manufacturers and engineering services. This precinct accounts for 60% of Tasmania's manufacturing exports
  - Northern Tasmania produces $700M in agricultural production
  - World standard mountain bike trails and golf courses attract tourists from around the globe.

An Innovative, Productive Region

- Northern Tasmania has an international reputation for the quality of its food and beverages. Rich soils, a mild cool climate, reliable rainfall and extensive irrigation infrastructure are complemented by innovative farmers, food manufacturers, and wine and other beverage producers. Northern Tasmania accounts for 45% of Tasmania's farmland, and 60% of Tasmania's wine producing area.
- Northern Tasmania's 'Food Excellence' is justified with the following initiatives underway:
  - Food Innovations Hubs, FermenTasmania
  - National food research capacity through the Centre for Food Innovation, Testlab 4.0, and a Microwave Assisted Thermal Sterilisation Unit (MATS)
  - Northern Tasmanian sparkling wines regularly win medals at international wine shows.
- The Australian Maritime College attracts students from all over the world to study shipping, naval architecture, maritime engineering and logistics. It is also home to the Blue Economy Cooperative Research Centre, a world leader in maritime research. A Defence Innovation Precinct is also planned to commence construction on the AMC site.
- The Launceston City Deal has supported the University move adjacent to the CBD and an improved education focus. It covers much of the region and has now been extended out to 10 years, which promises a sound base for future prosperity.

A Livable Region

- Launceston is a medium-sized historical regional city with the facilities and advantages of a larger city (hospitals, education facilities, airport, sports facilities, museums and cultural facilities, family parks) adjacent to the Cataract Gorge and wilderness areas.
- The region has established national parks, world-class walking and bike trails, famous Bay of Fires beaches, and a vibrant arts scene.
- Northern Tasmania offers world-class education. The University of Tasmania is in the top 2% of universities worldwide, and offers courses aligned to the region's strengths.

[1] *https://www.utas.edu.au/rankings*

Preface from the NTDC Board

DEAR STAKEHOLDERS

The Northern Tasmania Development Corporation Limited (NTDC) is the regional economic development agency owned by seven councils in Northern Tasmania: George Town; City of Launceston; Break O'Day; West Tamar; Northern Midlands; Meander Valley; and Flinders.

As part of the 2017 Launceston City Deal, NTDC was assigned the responsibility to develop a Regional Economic Development Strategy to set out a vision for the Northern Tasmania Region and identify where future economic growth and employment is likely to come from.

The strategy has been prepared by NTDC and is set out in this Regional Economic Development Strategy (REDS or the Strategy). For the purposes of this Strategy, the functional economic region of Northern Tasmania encompasses the eight local government areas (LGAs) of George Town, City of Launceston, Break O'Day, West Tamar, Northern Midlands, Meander Valley, Dorset and Flinders.

The REDS belongs to the whole region. NTDC's ongoing role is to advocate, facilitate, coordinate, support and monitor regional outcomes and to work with stakeholders to refine and review the proposed strategies.

The REDS sets out a long-term economic vision and associated strategies for the Northern Tasmania Region. It builds on the economic strengths and specialisations of the region to guide economic strategies and investment and to ensure long-term sustainable development. The REDS also builds on strategies already in place to provide a comprehensive approach to the region's economic journey. It will be supported by an Implementation Program, which will be developed collaboratively as an actionable, achievable and measurable plan for economic growth.

Importantly, the REDS should be viewed as the first stage of a process that establishes a collaborative framework for planning our future economic activities in the region.

It provides a vehicle for engaging the community in a conversation about regional needs and priorities, assists in bringing together key stakeholders, facilitates access to enabling resources, and focuses activities around regional economic opportunities.

"Planning our future economic activities."

Thank you to the more than 100 enterprises interviewed, the LGAs in the Northern Tasmania Region that actively participated in the whole process, along with key stakeholder organisations, the broader regional community representatives, the many State Government officers, the Federal Government and representatives on the City Deal Board. Thank you also to the National Institute of Economic and Industry Research (NIEIR) for their economic analysis and support.

Many private and public sector representatives and individuals participated in workshops, and provided feedback and advocated for change. The REDS was a collaborative effort – and collaboration is the way forward.

NTDC Board

Introduction

The Northern Tasmania Regional Economic Development Strategy (REDS) has been developed as a commitment of the Launceston City Deal to *'set out a vision for Northern Tasmania and identify where future economic growth and jobs are likely to come from'*.

The REDS is a strategic positioning document with a long-term system-wide view on the key strategic priorities required to improve the economic outcomes of the Northern Tasmania Region.

The REDS addresses the Northern Tasmania Region's recent and longer term challenges, while embracing opportunities to build on its comparative and competitive advantage.

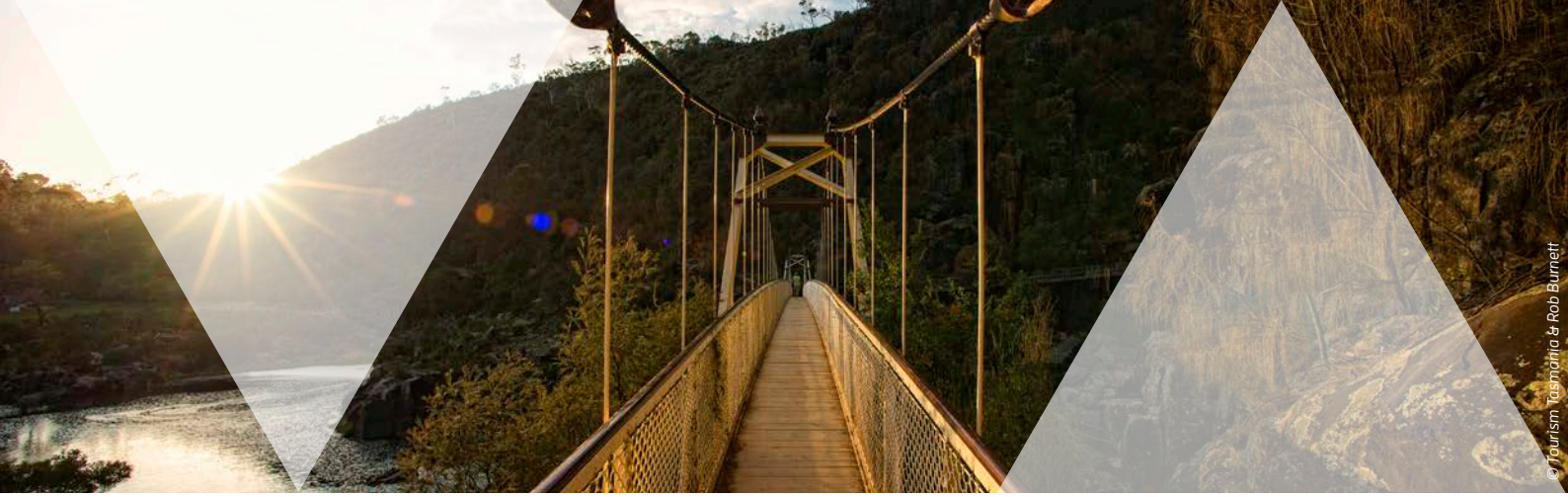
The region has a myriad of positive attributes including natural assets, industry specialisations, core competencies and a strong innovative and commercial history. Business and community leaders have a passion for our places, community development, and equal opportunity. The REDS commits to build on the Northern Tasmania Region's natural assets and the depth of human capital, to take the economy to the next level of regional empowerment, prosperity and independence.

The REDS, and its supporting Implementation Program, will help coordinate future government investments, encourage new private sector investments, improve planning and provide support for regulatory reform.

It will do this by setting out a vision for the Northern Tasmania Region and establishing priority strategies to realise the vision. The Priority Strategies in the REDS will provide the framework for the Implementation Program, which will include actionable priorities for economic development.

Accordingly, the REDS has been developed by:

- Outlining the **regional endowments** and **specialisations**
- Identifying the **challenges** the region is facing in achieving economic growth
- Defining the **vision** for the region
- Setting out the **priority strategies** to achieve the vision and outlining the **priority areas** for action
- Stating how the strategy will be **implemented**



Background

The functional economic region of Northern Tasmania and its constituent LGAs is shown in Figure I.

The Northern Tasmania Region is centred around the City of Launceston (population 66,000) and is surrounded by seven municipalities in North East Tasmania that are largely farming, forestry, and tourism areas. In 2016 the Northern Tasmania Region had 145,000 residents. In recent years, population has been slower than in Australia as a whole. The population is older than the Australian average, less educated and less multicultural.

Economic development in the Northern Tasmania Region was founded on its rural resources. Fast and effective transport allows residents of Northern Tasmania to access out-of-region services and businesses to compete in markets outside the region. The Northern Tasmania Region trades with the other two Tasmanian regions, with the regions of greater Australia and with the world at large.

Most regional services are provided by Launceston, though higher-order services are provided by Melbourne, Sydney and Canberra and most State Government services are headquartered in Hobart.

Figure 2 **Economic Snapshot: Sept 2019 (Northern Tasmania Region)***

Population in 2016 145,033 ABS ERP 2018	**Gross Regional Product** $7.85 billion NIEIR 2018	**Annual exports**[1] $5.4 billion NIEIR 2017/2018
Local jobs 66,762 NIEIR 2018	**Median weekly household income** $1,015 ABS 2016	**Unemployment rate** 6.2% ABS Labour Force Survey March 2019
SEIFA index of disadvantage 948 ABS 2016	**Trade qualification** 22% ABS 2016	**University qualification** 14% ABS 2016

[1] *Exports are defined as the magnitude of total sales outside the Northern Tasmanian region, including domestic trade to other regions of Tasmania and Australia, and international trade to countries outside Australia.*

* *Source: Economy.id*

Launceston City Deal

In April 2017 the Launceston City Deal was signed. This five-year agreement between The Australian and Tasmanian Governments and the City of Launceston will maximise Launceston's potential by focusing on the following objectives:

- jobs and skills growth;
- business, industry and population growth;
- a vibrant, liveable city;
- innovation and industry engagement; and
- a healthy Tamar Estuary.

City Deal Vision

The City Deal Vision is that by 2022 Launceston will be one of Australia's most liveable and innovative regional cities, with growing incomes and falling levels of disadvantage.

Total investment in the Launceston City Deal is more than $500 million, including:

- The construction of a new campus of the University of Tasmania at Inveresk, close to the CBD;
- Upgrades to the combined stormwater and sewerage system and catchment actions to improve the health of the Tamar Estuary; and
- The City Heart Project to revitalise key spaces in the Launceston CBD.

In addition, the City Deal recognises the relationship of the City and its surrounding regions and provides for this Strategy to be completed to leverage economic opportunities for the Northern Tasmania Region as a whole.

Building on the Northern Regional Futures Plan

The Northern Regional Futures Plan (NRFP) was developed by NTDC's predecessor (Northern Tasmania Development) in 2016 and identified three main industries as pillars of the regional economy:

- Food and Agribusiness
- Tourism
- Competitive manufacturing

underpinned by improved health and education.

It set three regional economic growth targets for the next decade (2026):

- 50% GRP growth (or 5% per annum including CPI);
- 8,000 net jobs growth; and
- $100/week increase in average take home pay.

These targets are ambitious, particularly compared with actual economic performance over the past five years.

The REDS will provide the framework for delivering the targets of the NRFP by focusing on providing priority strategies for regional economic growth.

Strategic Context

Our regional partners have developed many sector-specific strategies and plans over recent years and these have played an important role in the economy and sustainability of our region. NTDC acknowledges these strategies and plans and has worked collaboratively to ensure that they are appropriately integrated into the REDS. Significant other regional strategies that have been considered in developing this REDS include the Regional Land Use Strategy, the Greater Launceston Plan, and economic development plans from each local government area. A full list of significant and current economic development strategies for the region is included in Appendix 2.

The National Institute of Economic and Industry Research (NIEIR) was commissioned to develop a Key Directions Report to provide an evidence base to the development of the strategy. This work, along with input from regional stakeholders, provided a picture of the region's economic environment. Importantly, the Key Directions Report established it is unlikely the targets identified in the Northern Regional Futures Plan will be achieved with a 'business-as-usual' approach and continuation of current policies.

Accordingly, the REDS outlines strategies necessary for the Northern Tasmania Region to achieve its aspirational economic goals.

Key Directions Report

The Key Directions Report (KDR) for Northern Tasmania 2018 was developed by The National Institute of Economic and Industry Research Pty Ltd (NIEIR), an Australian Private Company.

The KDR is based on NIEIR's regional database, which includes traditional data sources as well as modelled data to deliver economic data at Local Government Unit (LGA) level. NIEIR's models balance analysis between historical trends and causation, and the data is updated on an annual basis to reflect the impact of global, national, and local economic changes. NIEIR's modeling draws on a range of metrics including:

- economic and social indicators
- demographic and environmental indicators
- energy and mineral information
- major projects and infrastructure developments.

The KDR has provided a deep understanding of the Northern Tasmanian economy, informing the strategic priorities in the REDS and allowing us to better quantify changes and the effects they will have.

Guiding Principles

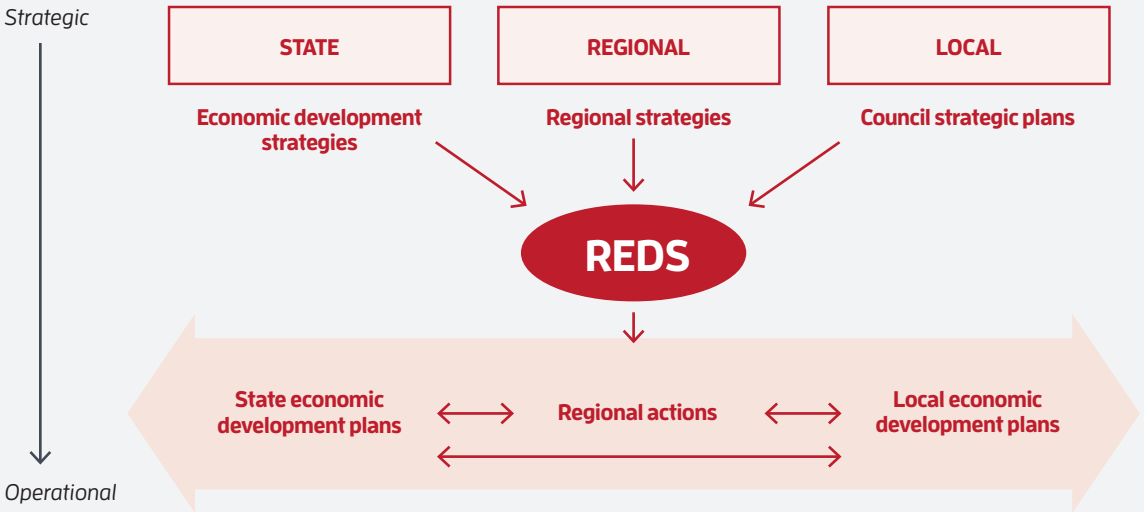
Regional collaboration and success will be delivered through the collective efforts, sharing, support and trust between all stakeholders.

The REDS is a cohesive community effort and has been developed with a strong collaborative spirit.

These principles guide the approach to development and implementation of the REDS across the region:

- Collaborate to achieve regional outcomes
- Have respect for all
- Support all regional stakeholders by taking a 'Best for Region' approach in our decision-making
- Be receptive to new ideas and challenge the status quo
- Be open and transparent
- Encourage diversity and listen to the voices of all regional networks
- Be curious, encourage learning and ambition
- Aim to be globally competitive
- Learn from our stories of success and failure

Figure 3 **Strategic Context of the REDS**



Regional Endowments

The regional endowments of Northern Tasmania are those features that form the foundation of the community and the economy. These attributes create the unique character that differentiates the Northern Tasmania Region and provides competitive advantage to leverage economic growth.

Culture and Heritage

Northern Tasmania has a long history of occupation by the Nation's First Peoples. It is characterised by European settlement from the early 1800s and has more recently welcomed settlers from all over the world.

The first inhabitants of the area were Tasmania Aboriginal people, who have lived here for at least the past 35,000 years and were, for 20,000 years, the southernmost people on Earth. Tasmanian Aboriginal culture is a fundamental aspect of the Northern region's mixed cultural heritage.

Settled by Europeans in March 1806, Launceston is one of Australia's oldest cities. Its many well-preserved historic Georgian, Victorian and Federation style buildings, old trees and parks, and its dispersed network of towns and villages establish a character and life to the region that sets it apart. The rich history of Tasmania can be seen clearly in the built environment of the region and in its strong links to the natural environment.

Northern Tasmania has a strong cultural identity and our people are integral partners in the future growth of the region. Further development of our cultural and creative assets will link to our innovation capacity and will enhance the region as an inclusive and attractive place to visit, live and do business..

Water Security

The Northern Tasmania Region is endowed with a high level of water security; perennial rivers provide secure water supplies for rural, urban and industrial needs and hydro-electricity.

Much of the rural land is serviced by irrigation schemes that enhance the productive capacity of the region's agricultural industries. The schemes service pasture for livestock finishing and cropping land for dairy, potatoes, vegetables, poppies, high-quality grapes, small seed, wheat, cereal and fodder.

Climate

The Northern Tasmania Region has an oceanic, temperate climate with four distinct seasons, ideal for living and supporting agricultural activities that need a mild climate and reliable water supply – such as varieties of wine grapes, poppies, dairy production, lamb and cattle fattening, medicinal cannabis, and other boutique agricultural crops.

Connected and Accessible

Compared with many regions in Australia, the Northern Tasmania Region is highly accessible and connected.

Via award-winning Launceston Airport, the region is within an hour of Melbourne and daily flights allow access to Sydney and Brisbane within two hours.

Within the state, the Northern Tasmania Region is well-connected north, south, east and west through a reliable road and rail network, with the capital city Hobart accessible via an easy 2.5 hour drive from Launceston.

Bulk freight facilities are available at the Bell Bay Port and Burnie Port and time-sensitive freight can be shipped via Devonport providing quick and reliable access to mainland and international markets. The freight and logistics hub developing at Translink, adjacent to the Launceston Airport, provides additional support for the freight task.

City Deal partners are helping to make Launceston a Smart City by investing $10.3 million in the Greater Launceston Transformation Project, including five 3D digital city models. Smart Cities projects are creating a backbone for the industries of the future.

Digital connection is first class with NBN fibre to the premises available in Launceston City and fibre to the node in many other locations. Premium Gigabyte internet service is available in areas with fibre to the premises through a locally owned and managed telco.

Innovation

Innovation is in Northern Tasmania's DNA. Launceston was the first Australian city to have underground sewers and was the first Australian city to be lit by hydroelectricity. It was the first place in the Southern Hemisphere to perform operations using anaesthetic and was where the humidicrib was invented.

In more recent times, investments in the regional innovation ecosystem include:

- Establishment of a Low-Power Wide-Area Network throughout Launceston and across Tasmania. This will enable local developers and businesses to create, trial and commercialise new technology solutions for a range of purposes and is expected to accelerate start-up and entrepreneurial activity.
- The new Defence Innovation and Design Precinct at the University of Tasmania's (UTAS) Australian Maritime College (AMC) will help drive defence related research and development projects.
- The Launceston Hub of the National Institute for Forest Products Innovation will investigate innovation in areas such as forest management, timber processing, wood fibre recovery, advanced manufacturing and the bio-economy. It is based at the University of Tasmania (UTAS).
- Roll out a new programs through Enterprize (an innovation hub designed to provide business support and workspaces for Tasmanian start-ups in open plan co-work innovation spaces).
- Establishment of the Macquarie House Innovation Hub, a co-working space to support start-ups in the technology, digital and creative industries.
- The Launceston Institute for Applied Science and Design (LIASD), to be built at the new Inveresk campus, will support regional innovation through demand-driven research in response to industry needs.

Supported by the impending relocation of the UTAS campus to the Launceston City Centre, the region continues to innovate, research and create.

Service Hub

Launceston is a major service hub for the agricultural, pastoral and mineral activities of the region, as well as providing vital supply chain support to the entire state.

The Launceston City Deal plans to make Launceston one of Australia's most liveable and innovative regional cities. The City Heart Project has revitalised the city and stimulated economic growth and local business activity.

Regional Leadership

Northern Tasmania has a network of engaged and committed regional leaders focused on delivering a positive future for the region.

This was epitomised in both the development and now the implementation of the Launceston City Deal. By working together, all three levels of government are ensuring the support, programs and policies are in place for Launceston and the region to succeed.

Healthcare Infrastructure

The region has a strong healthcare and social assistance sector, including a 300-bed public hospital (Launceston General Hospital), two private hospitals and a district hospital in Scottsdale. Launceston is also the hub for the State's medical retrieval service (The Royal Flying Doctor Service).

The Launceston General Hospital (LGH) is an accredited teaching hospital, and has a close partnership with UTAS through the Launceston Clinical School and the School of Nursing, based in Launceston.

Health research and innovation is encouraged and supported throughout the hospital with research sponsored by the Clifford Craig Foundation.

As one of the largest employers in the region, growth in this sector is expected to continue.

Renewable Energy

Northern Tasmania has excellent access to renewable electricity resources (indeed, the significant smelting industry was originally attracted to the Northern Tasmania Region by electricity contracts). Hydro power is readily available and is supplemented by high-quality wind resources, combined with solar resources. The Tamar Valley Power Station, located at Bell Bay,

provides backup gas generated electricity as required.

Since the commissioning of BassLink, Tasmania is part of the National Electricity Market exporting renewable energy to the mainland and providing added security in times of high electricity demand. A second cable is currently being considered and will provide opportunities to significantly grow the Tasmanian renewable electricity market.

Liveability and Lifestyle

The Northern Tasmania Region provides high-quality services and facilities, together with a lifestyle that would be expected of a major metropolitan city. Northern Tasmania is a significant attractor as a potential migration destination for those looking to move out of major cities, to connect with their natural environment, access affordable education and housing, and engage with a vibrant village lifestyle.

Natural Attractions

The Northern Tasmania Region boasts many natural attractions including five National Parks, pristine coastline, the spectacular Cataract Gorge in Launceston and so much more.

This environment supports a strong agricultural sector, coupled with recreational activities including a wide network of walking trails, world-class mountain bike trails, iconic links golf courses, caving, rock climbing, white water rafting, and recreational fishing and diving.

Food, Beverage & Agriculture

The Northern Tasmanian Region has a mix of urban and rural areas, with fertile soils, high levels of water security and a temperate climate. This provides a natural advantage for the agricultural and forestry industries in the region.

From the growers to the makers, building on the region's agricultural foundations, there is a strong food and beverage industry in Northern Tasmania, including lamb and beef, dairy, fruit, vegetables, wine, cider, whisky and cheese.

A cool climate, long summer days and reliable water supply provides the opportunity to increase the volume of products grown and value-add to food and beverage processing.

The award-winning Harvest Market in Launceston provides an opportunity for local growers to sell quality products direct to the market and has been the launching pad for many food and agribusinesses to grow and establish bricks and mortar shopfronts. It is also a well-known tourist attraction.

In addition to food and beverages, the region has a strong focus on wool, poppy and cannabis direction, and harvests and manufactures a large proportion of the world's supply of licit alkaloid material from poppies used in pain relief medication. Medicinal cannabis is also an establishing industry with new legislation providing opportunities for growing and manufacturing product for local and export markets.

Industrial Capability

The Northern Tasmania Region hosts the State's largest heavy industrial precinct and supporting light industry activities at Bell Bay and George Town. The precinct is anchored by resource manufacturers including metal smelting, alloy production and forest processing facilities, and is responsible for 59% of all Tasmania's manufactured exports.

The Bell Bay Industrial Precinct is supported by the port of Bell Bay, which is Tasmania's primary deep-water port. The port has all-weather access, direct rail connectivity and is capable of both bulk and container handling.

Specialist manufacturers are also located throughout Northern Tasmania from the manufacturing of components for windfarms, performance bearings, storage tanks and industrial machinery for whisky, wine, cheese, and agriculture.

Education Infrastructure

The Northern Tasmania Region provides an excellent selection of public and private schools and tertiary education responsive to international demand and local industry need, including TAFE, Foundry, University College, University of Tasmania and the Australian Maritime College.

The City Deal's major commitment is a $260 million investment to relocate the UTAS campus to inner city Launceston, with modern accessible facilities. Coupled with a new, world-class National Defence Innovation and Design Precinct at the Australian Maritime College, Launceston is the home of research and education facilities of international standard.

Specialisations

The Northern Tasmania Region's future growth and prosperity will stem from its capacity to capitalise on its comparative and competitive advantages, including its regional endowments and industry specialisations.

Northern Tasmania is a diversified economy with a wide variety of industries. In essence, the region has a significant rural base supplemented by manufacturing, and supported by a strong services industry (predominantly health and social assistance). The following industry sectors are the significant current and emerging drivers of the region's economy:

Figure 4 **Significant Industry Sectors in the Northern Tasmania Region September 2019**

Food and Agribusiness*	
Food and Agribusiness is currently responsible for almost a quarter of exports from the Northern Tasmania Region. The contribution of the agriculture/ forestry sector to productivity growth has strengthened and is way ahead of the Australian average. The Agriculture sector in the Northern Tasmania Region is significant compared to most other regions and it has performed very well.	
REGIONAL CONTRIBUTION	
GRP	4.0%
Employment	6.3%

Tourism	
Tourism is a significant industry for the Northern Tasmania Region and continues to be a strong contributor to the economy. Tourism is a strong performing growth sector, and is economically significant to the region.	
REGIONAL CONTRIBUTION	
GRP	9.1%
Employment	10.9%

Competitive Manufacturing	
Competitive Manufacturing (including, chemicals, smelting, metal fabrication, wood chipping) currently accounts for a quarter of the region's exports. The success of this industry sector will be largely determined by international markets and factors operating at a global level, with a large range of outcomes possible over the long term.	
REGIONAL CONTRIBUTION	
GRP	7.6%
Employment	7.7%

Education	
Launceston provides school and tertiary education to residents across Tasmania and also interstate and internationally. This is a strong potential growth industry, particularly following on from the City Deal investment in the Launceston UTAS campus and education opportunities associated with investment in the National Defence Innovation and Design Precinct and the Australian Maritime College.	
REGIONAL CONTRIBUTION	
GRP	7.2%
Employment	9.6%

Healthcare and Social Assistance	
Healthcare and social assistance industries make a valuable direct contribution to the state economy, and also indirectly through providing for, and improving, the health and well-being of Tasmanians. Tasmania's healthcare and social assistance industry is the largest single contributor to the economy and employment. Given the Northern Tasmania Region's ageing population, the healthcare and social assistance industry's contribution to the economy and society (including jobs) will continue to grow.	
REGIONAL CONTRIBUTION	
GRP	17.1%
Employment	16.2%

Professional and Technical Service	
Launceston is one of the two Australian non-capital cities with significant exports of financial services. There is opportunity to leverage this competitive strength, and the high-quality ICT infrastructure, to promote aligned sectors, such as insurance and superannuation, as well as technology based industries to locate in Launceston.	
REGIONAL CONTRIBUTION	
GRP	11.5%
Employment	6.3%

**Combining traditional industry sectors of 'Agriculture' and 'Food and Beverages' can create an industry grouping called 'Food and Agribusiness'.*

** Source: Economy.id*

Challenges

The REDS recognises the region's economic issues and challenges must be addressed to inform an effective strategic approach to growth. Economic development programs and actions will focus on embracing challenges and improving resilience, to influence the success of community, business and industry outcomes.

- Over the past two decades, the Northern Tasmania Region's trade has become imbalanced; it now imports considerably more goods and services from the rest of Australia and the rest of the world than it can pay for with its export earnings.
- In recent years, population growth has been slower in the Northern Tasmania Region than that experienced in Hobart or the Australian average – although recent trends are indicating improved growth.
- Northern Tasmania has an ageing population, and the working age population is expected to contract significantly over future years.
- Education and qualification levels of Northern Tasmanians are lower than the Tasmanian and Australian averages.
- Investment in non-dwelling capital (civil works, buildings, equipment) is a significant source of productivity growth, and is less in Northern Tasmania than the Australian average.
- Climate change may affect the frequency and magnitude of adverse climate events and may impact agricultural production. Although this is also likely to be an opportunity compared to other parts of Australia.
- Targets to increase economic growth, population and tourism, may increase pressure on affordable housing, infrastructure and the environment.
- Northern Tasmania doesn't have the level of digital literacy necessary to optimise usage of available digital connectivity. Digital literacy and knowledge creation capacity is important for supporting innovation, specialisation and boosting productivity and export activity.
- In some parts of the Northern Tasmania Region, labour participation and productivity is relatively low and not all people within the region share in the benefits of economic prosperity.
- For Northern Tasmania, and Tasmania as a whole, size and distance from markets will remain a challenge.
- The seasonality of tourism affects the viability of the sector, future investment and permanency of employment opportunities.

Targets

This strategy has adopted ambitious and challenging targets for the Northern Tasmania Region, based on those identified in the NRFP (2016). The REDS has been developed with an intention of guiding strategic programs to achieve these 'aspirational' targets.

The difference from where we are now and where we want to be:

Figure 5 **NRFP 2016 Targets**

	2018	Our targets	2031
GRP	A $7.8 billion economy	50% GRP growth (achieved after 2031)	An $11 billion economy
Jobs	Jobs in the region totals 66,892	Additional 8,000 net jobs	76,000 jobs in the region
Income	Household Income per hour worked is ($cvm) $34.9 ($1291 per week)	$100/wk increase in average take home pay	Household Income per hour worked is ($cvm) $37.3 ($1380 per week)

** All dollar values are consistently measured using – chain volume measures and adopting FY2015 as the Reference Year.*

Vision

The REDS recognises economic development as the complementary relationship between improvements in economic activity, community wellbeing, cultural diversity and the environment. Ultimately, economic development is about improving the quality of life experienced in all of the communities of the Northern Tasmania Region. The REDS provides a vision and strategic priorities to promote, facilitate and deliver effective economic development programs in the region. The vision for the REDS is that:

By 2031, Launceston and Northern Tasmania will be Australia's most liveable and innovative region, with growing incomes and falling levels of disadvantage.

What will this vision look like in 2031?

The Northern Tasmanian Region will be a diverse and internationally connected economy, with growing productivity.

Figure 6 **A Vision for Economic Development**

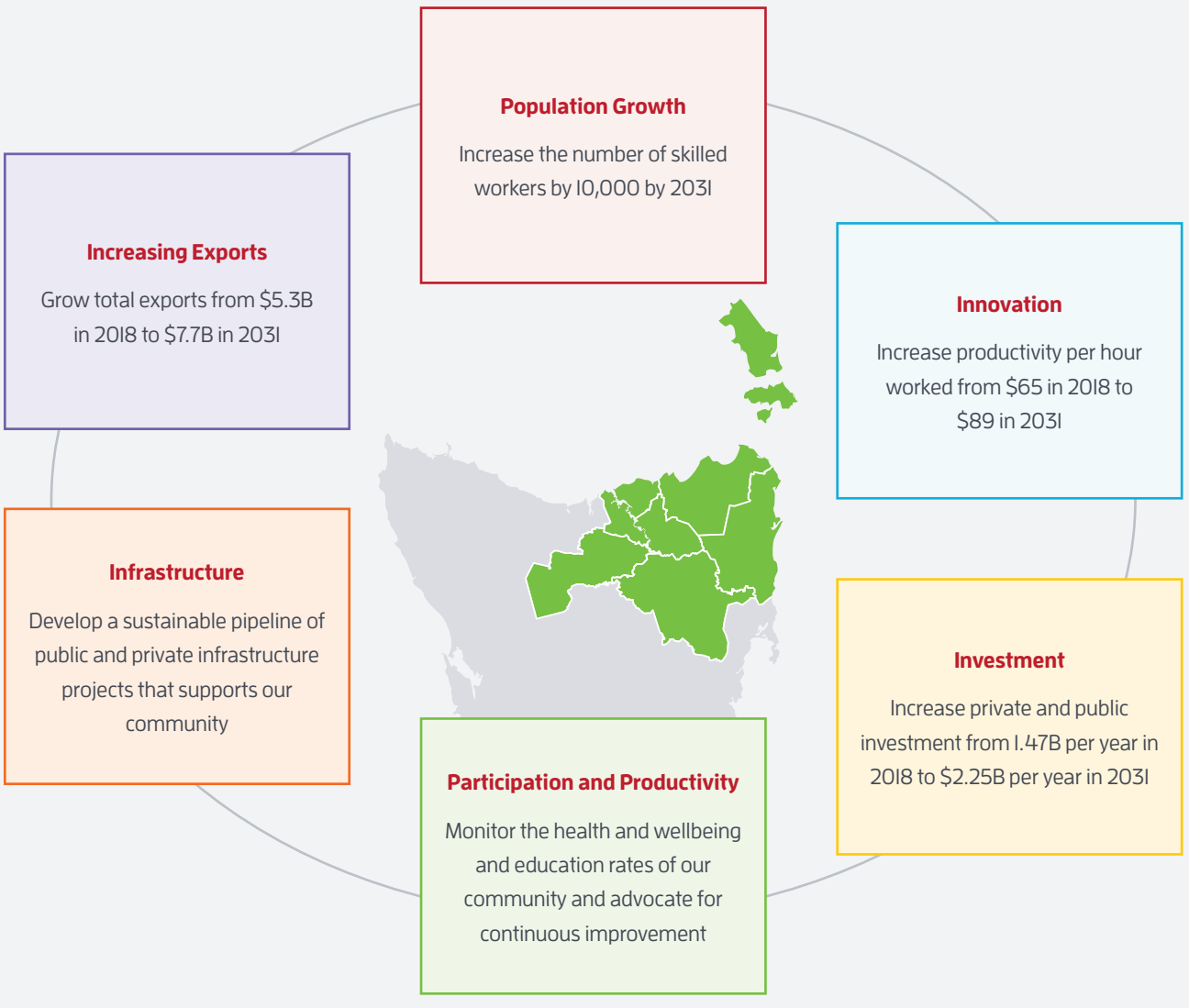
Strategic Priorities

Strategic priorities are a framework for development of the Implementation Program. They are the link between the REDS vision and the economic activities required to deliver the vision. Strategic priorities provide guidance to NTDC and its economic development partners to concentrate their efforts where they can have maximum impact, and support strategic economic objectives.

The six Strategic Priorities in this REDS build upon the opportunities presented by the region's endowments and industry specialisations. They also aim to address key challenges to the economic development of Northern Tasmania.

The region will have the opportunity to succeed, grow and ultimately achieve its vision.

Figure 7 **Strategic Priorities for Economic Development**



I) Increasing Exports

Export Growth will reduce our dependency on Government and enable an increasingly prosperous and self-reliant regional economy.

In the Northern Tasmania Region, growing trade will drive economic growth and build a more successful economy. Increased exports will create sustainable, high-paying jobs and boost the region's standard of living. To do this, there needs to be an environment in which businesses and people can grow and thrive.

The aspirational target for Northern Tasmania is to increase exports by 45% from current levels over the life of the strategy. This increase is necessary in order to significantly reduce the current $1.4B/year gap between our region's exports and imports.

The Northern Tasmania Region has unique characteristics and a range of opportunities and challenges. The aim is to unlock economic opportunity and drive new growth by focusing on opportunities that have the most potential to grow investment, income and jobs. This will be achieved by ensuring a regional focus to applying the initiatives set out in the **Tasmanian Trade Strategy**:

1. Increase trade in key sectors
2. Leverage priority markets
3. Improve trade logistics and market access
4. Improve capability of regional businesses

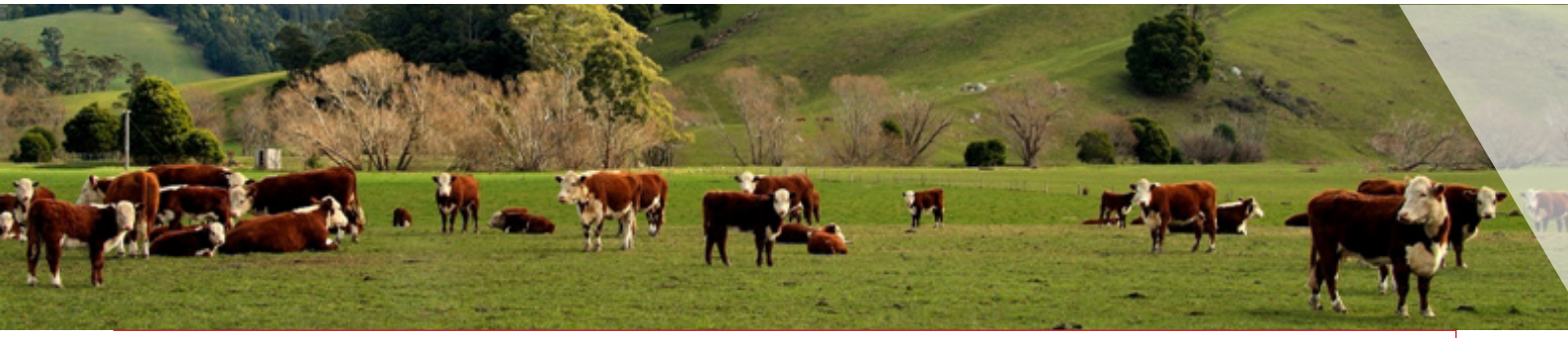
The **Tasmanian Trade Strategy 2019-2025** sets a coordinated approach to work with business and partners to grow trade, both domestically and internationally. It has a clear focus on building capability for small to medium-sized businesses, value-adding existing business activities, expanding our international influence and providing the right conditions for all Tasmanian businesses to succeed.

Encouraging collaboration and clusters to help improve global competitiveness within the region is a current and future focus. We already see the early benefits of collaborative business models with successful clusters formed by the Bell Bay Manufacturing Zone and an early Food Network, Food/Fermentation and Forestry Network.

There is a significant regional focus on building collaborative networks to support increased exports for food systems. Other emerging industries with a significant export focus include niche maritime and defence sector opportunities, renewable and alternative energy applications, and health-related products and services.

WHAT IS DEFINED AS AN EXPORT?

For the purpose of this report, exports are defined as the sale of goods and services outside the Northern Tasmania regional boundaries. This includes domestic trade to other regions of Tasmania and Australia, as well as international trade.



Major Export Opportunities in Northern Tasmania

I. Food Systems

Agriculture, food and beverage products ('Food Systems') stand out as an industry with significant export growth potential in Northern Tasmania. Accordingly, this plan will prioritise food systems.

Recent free trade agreements and rising income levels stands to increase the demand for quality agricultural produce in Asia considerably, particularly for perishable food products.

Climate change, water scarcity and global food demand is driving investment in new technology and processes. These investments are needed to maintain competitiveness of local producers but also offer the potential for the local industry to generate value by exporting agriculture technology and knowledge-based services.

Development of regional strengths around niche cool climate food systems will have a major impact on our economy. There is increasing demand for high value differentiated food products.

2. Tourism

T21, Tasmania's Visitor Economy Strategy (2015-2020) sets a vision for Tasmania to be a world-leading destination of choice, with a vibrant visitor economy supported by our tourism and hospitality industries, strong business and education sectors and a community that embraces our visitors and all the benefits they bring.

The strategy has evolved its targets to include visitor yield and visitor dispersal beyond the island's major cities, and this provides an opportunity for a greater regional focus on tourism for Northern Tasmania. One of the key challenges is to extend the tourism season in the northern region and develop year-round tourist demand.

3. Education

Education services are an important export to the region (through incoming international and domestic students) and are expected to grow with the developments at UTAS focusing on a new contemporary campus adjacent to Launceston CBD, and a regional place-based emphasis for the courses being developed and offered.

The growing student population at UTAS includes some 7,000 international students drawn from more than 100 countries. All UTAS students have the opportunity to apply for student exchange or overseas study at more than 100 universities around the world. International students provide important export revenue, and they add to the global culture and appeal of our educational facilities and communities.

4. Competitive Manufacturing

Northern Tasmania's economy is supported by larger minerals and commodity processing industries, which are exposed to global economic conditions and exchange rates. It is therefore important to leverage the skills base that has resulted from these industries over decades to build our capacity in adaptive engineering and manufacturing to attract and support new industry sectors and businesses.

Competitive manufacturing presents the region with a crucial opportunity to build and diversify exports. In particular, the design and manufacture of food and agricultural products and technologies, mining, energy, defence and construction industries, is a key comparative advantage for Northern Tasmania. The need for advanced technologies to deliver improved products is now greater than ever, and to encourage greater expenditure on R&D to gain more first-mover advantages on a global scale.

WHAT IS A FOOD SYSTEM? A food system includes all processes and infrastructure involved in feeding a population: growing, harvesting, processing, packaging, transporting, marketing, consumption, and disposal of food and food-related items. It also includes the inputs needed and outputs generated at each of these steps. In Northern Tasmania our Food System will focus on:

- food manufacturing
- food service
- food science
- food and wine (and agricultural) tourism
- other agriculture value-adding
- human nutrition
- fermentation cluster
- related supply chains
- logistics
- the supporting professional and technical services, technology applications
- waste management and related bioenergy
- skill development
- food and agriculture-related education.

Major Export Opportunities in Northern Tasmania

5. Professional, Scientific and Technical Services

Launceston and the North has excellent NBN-enabled infrastructure that could further leverage more professionals and technology-based industries to relocate to the area, or for more workers to work remotely from many locations in the region.

Many specialised services in Northern Tasmania are currently provided by telecommuting and providers who drive from Hobart or fly from Melbourne, and there is an opportunity to embed local providers for the region (and these may service markets outside the region).

Northern Tasmania is one of the few regions that exports financial services. Maintaining and building on this strength will require support from financial institutions in the region. There is opportunity to leverage this competitive strength to promote aligned sectors, such as insurance and superannuation to locate in Launceston.

There are opportunities to build health exports by establishing a competitive advantage in a range of regional health provision areas such as service delivery, education, investment, research, integration, technology, collaboration and workforce development. As the region's largest employer and industry sector, export opportunities for the health sector are being investigated by the Community and Health Industry Committee supported by the Launceston Chamber of Commerce.

Priority Areas

- Focus on developing growth opportunities in Food Systems as a priority regional competitive strength.
- Leverage the work of Tourism Tasmania and Tourism Northern Tasmania to attract higher-value visitors, to increase off-peak demand and encourage regional dispersal of visitors.
- Have a range of targeted and accessible business support services that enable increased rates of entrepreneurship, small business survival and growth of established businesses.
- Leverage off the growth in key export opportunity industries and the research capacity of local institutions to build export business.
- Grow the quantity of high-value, low-volume niche products and services.
- Work with UTAS, TasTAFE and other institutions to attract and retain more international and interstate students.
- Encourage businesses to collaborate to develop solutions to trade challenges and increase their global access and competitiveness.
- Promote professional, scientific and technical services to locate in Northern Tasmania.
- Build a strong health industry network to ensure local health capital needs are met, and are strong drivers of research and innovation that enables economic growth.
- Improve the capabilities and market access capacity of local agriculture businesses enabling them to substantially increase exports value.
- Support businesses in developing and adopting new agritech allowing them to boost production and diversify into new product and service lines.

2) Population Growth

The region requires an increased skilled working-age population to supply our businesses with the resources they need for a growing economy.

Tasmania's Population Growth Strategy seeks to increase the State's population to 650,000 by 2050 to drive economic growth, create jobs and improve the standard of living for all Tasmanians.

Northern Tasmania's current population is approximately 145,000 people. Based on current Tasmanian Government population projections[2] and without any policy interventions, the population is expected to reach 147,090 by 2042.

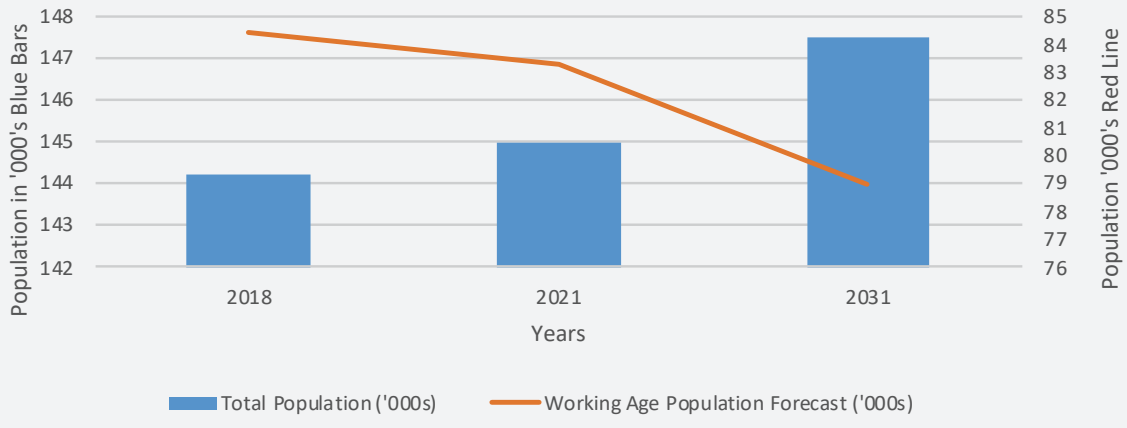
By 2031 the Northern Tasmanian region will require approximately 10,000 additional workers to meet the needs of a growing economy.[1]

Sourced from an upskilled insitu population and/or migrating workers, this includes an additional 5,000 workers to replace the loss of workers (as they move or age out of the workforce), and 5,000 additional workers required by expanding businesses and service sectors in a growing economy. See the graph below.

A Population Taskforce was established in 2018, chaired by the City of Launceston and including representatives of regional stakeholders, local government and State Government. The role of the Taskforce was to review the data available on the population challenge and identify interventions that could attract and retain more working age people to the region and identify a 2050 population target.

The Population Strategy 2019 is based on fulfilling the emerging workforce needs of our current and growing industry sectors. An aspirational population target of 200,000 by 2050 was set by the Taskforce.

Figure 8 **Northern Tasmania Region - Total Population Vs Working Population (official Forwecasts)**



Source: NIEIR 2018 (1)

[1] *Key Directions Report 2018, by NIEIR*

[2] *2019 Population Projections - Department of Treasury and Finance*

Population Attraction

With an ageing population and the projected loss of 5,000 skilled workers as a result, the focus for population attraction is working age people with the right skills set to meet demand from industry. Based on the population target, the number of jobs in the region will increase from the current 66,892 to about 76,000 jobs in 2031.

An important part of attracting and retaining a working age population is understanding the employment opportunities now and into the future and promoting the job availability and skill requirements of emerging industries to potential resident workers. Workforce planning to define and publicise the jobs and career pathways for the future is also an important task for industry.

In the short to medium term the aim is to focus on health and community workers, and construction-related trades and skills as the State (and the region) experience growth in building and infrastructure projects. This growth occurs at a time when these skills are in high demand throughout other parts of Australia. Northern Tasmania will require a well-considered competitive pitch to attract these skilled people and their families to migrate to the region in the next one to five years.

The other growing job opportunities for the medium to longer term (in priority order) to 2031, are primarily in the services sectors, and have been identified as follows:

- Hospital, medical, aged-care and social services
- Education
- Food and beverage service (and retailing)
- Professional, scientific and technical services
- Public administration
- Food product manufacturing, and
- Personal services.

The Plan seeks to promote, service sector jobs that support primary-based industries, population growth and an ageing population.

Northern Tasmania has strong attributes including lifestyle, friendly people, stunning landscapes, heritage buildings, affordable living, clean air, easy commuting, a seasonal climate, and great food and wine. The opportunity is to clearly articulate the essence of the region as a key attractor for people to live, work, study, invest and do business in the region. Population attraction is not just an advertising campaign but a combination of actions and programs that communicate a common message leading to interest and relocation to the region.

Supporting Population Growth

Increasing the population requires consideration of the planning and infrastructure required to accommodate and retain growth. The demand for housing, transport, water, sewerage, schools and training, hospitals and other services will need to be considered and planned as part of regional planning processes.

Investment in appropriate place-making infrastructure will assist in ensuring the lifestyle factors attract people to the region, and also support them to stay in the region.

Priority Areas

- Implement the Population Strategy developed by the Population Taskforce with a particular focus on increasing the working age population.
- Attract a working age population to meet the skills and jobs required for Northern Tasmania.
- Attract and retain more local, interstate and international students.
- Develop a Welcoming Region Program to support and retain interstate and international migrants.
- Plan for growth ensuring essential infrastructure and appropriate housing is available.

3) Innovation

The Northern Tasmania Region will continue to build on its proud innovative heritage, embracing and supporting innovative thinking that creates new business opportunities and promotes the region nationally and internationally as an entrepreneurial hub.

Innovation is necessary to achieve a higher value economy with more and higher paying jobs.

Innovation allows products and services to move up the value chain, reducing pressure on natural assets and places, and adding to the number of well-paid jobs across the economy. It underpins investment, skills development and economic growth in adaptable and successful regions.

There is an appetite in the region to access and use more technology to achieve regional potential.

Knowledge economy services which reflect employment in industries important for supporting innovation and specialisation are important drivers of productivity growth.

"It underpins investment, skills development and economic growth."

Business and industry must stay abreast of trends and new skills through education and training courses. This includes shorter courses for up-skilling the current workforce, engaging with the innovation initiatives and other learning opportunities delivered by a variety of higher education providers.

University research can and should underpin regional innovation. It is important for business to engage proactively with UTAS, other institutions and industry bodies through research, education and skills. Commercialisation of innovative ideas, concepts or processes increases opportunities for exports and higher commercial returns. Initiatives such as the FermenTasmania food cluster, the Microwave Assisted Thermal Sterilisation (MATS) food technology in development, UTAS TestLab 4.0, and the transition by more farmers utilising agri-tech in their operations, provide opportunities to leverage innovation in Food Systems.

With the increasing prevalence of technology to improve quality and productivity, digital literacy and information technology skills will become increasingly important for businesses to remain competitive. Improving individual digital literacy will help businesses and community to better access available digital platforms.

Establishing an Innovation Framework and Hub in Northern Tasmania is a project presently under development as part of the Launceston City Deal 'Smart Cities' commitment led by the Office of the Coordinator General (OCG) in collaboration with the Australian Government, City of Launceston, Meander Valley Council, West Tamar Council, George Town Council, The University of Tasmania and Telstra.

Defence budgets are growing nationally and globally, and with the support of the Tasmanian Defence Advocate, the Northern Tasmania Region aims to develop opportunities to contribute to delivering our national defence capacity.

"A region that fosters innovation and grows successful businesses."

'Innovation and technology have an almost symbiotic relationship. Each can help to drive productivity growth by improving business processes and organisational effectiveness. Each can lead to new products and services, some of which will succeed and generate income growth, as well as benefit society. With strong technological infrastructure, (Northern Tasmania) will be better positioned to innovate in business, especially in tech-based sectors.'

Idealog (2019) Helius Therapeutics' Paul Manning on five ways New Zealand's economy could be diversified through innovation, Idealog #69, page 29 https://idealog.co.nz/venture/2019/03/helius-therapeutics-paul-manning-five-ways-new-zealands-economy-could-be-diversified-through-innovation

Examples of innovation in the Northern Tasmania Region include:

- Macquarie House – a new home for start-up incubator Enterprize, and a physical space for design thinking and trialling disruptive ideas.
- UTAS Launceston Institute of Applied Science and Design – in development and to include a TestLab for Industry 4.0 Integrity of Food.
- Smart Cities Projects including: five 3D digital city models, people movement analytics, and an intelligent digital city roadmap.
- A Low-Power Wide-Area Network (LoRaWAN) in Launceston and across the region.
- Development of the National Defence Innovation and Design Precinct at the Australian Maritime College.

Priority Areas

- Build a regional innovation ecosystem (including a start-up ecosystem) to support businesses to access information, networks and processes to better apply innovation.
- Enhance the skills required to succeed in innovative, competitive and productive businesses, such as digital literacy, cyber security and Industry 4.0 applications in business.
- Leverage opportunities for innovation and productivity improvements from investments in enabling infrastructure, such as the NBN, the LoRa Network and the Launceston Institute of Applied Science and Design.
- Continue to support defence operations in the region in order to grow regional capabilities and take advantage of future defence industry growth.
- Utilise defence research and manufacturing capabilities to value-add to other regional industries such as food systems, ICT and health.

4) Investment

Investing for a growing and resilient economy.

To be globally competitive, Northern Tasmanian business must attract investment with creative thinking, quality design, strong brand, persistence and bold ambition.

The regional target is to increase public and private investment by an additional 40% by 2031.

- this equates to an additional $500M per annum with approximately two thirds of this investment expected to come from and through the private sector.

An increase in business investment to unlock more productive capital and enable innovation is required to achieve the export and innovation targets. Targeted approaches to investment attraction and facilitation are more effective and generate efficiencies.

Attracting major industry investments in the region would have a significant positive impact on achieving 'best case' economic growth and would immediately underpin potential growth in Small to Medium Enterprises (SMEs). Significant investments currently under consideration include a new northern prison, abattoir facilities, a renewable energy generation plant, and the co-location of a private hospital with the Launceston General Hospital.

A key issue raised by both start-up and expanding businesses is the challenge of gaining access to capital and operational finance, especially SMEs. Traditional banks are required by regulation to be conservative with commercial investments, especially for SMEs without equity or fixed assets to offer as collateral. However, more diverse funding mechanisms have evolved over the past few years that could present viable options for SMEs, such as micro-financing, crowd-funding finance, or peer-to-peer finance. An Investment Taskforce has been established to consider smaller projects that need funding alternatives to come to fruition.

Northern Tasmanian councils and stakeholders are working to ensure the region is a comparatively attractive place to invest. An 'Open for Business' approach is required with continued investment in enabling infrastructure that enhances and supports the demands of a growing economy, considering incentives such as 'rate holidays' for specified strategic business applications.

The Northern Tasmania Region has developed a priority infrastructure list, built on a solid framework of economic and business assessment and broad stakeholder buy-in. Effective management and communication of this list will improve the likelihood of government and business investment support.

Regions with an identified priority infrastructure list, built on a solid business and economic base, as well as demonstrating broad stakeholder buy-in, are more likely to gain investment support.

Climate change and related global and national energy targets are generating a need for diversification in the source of energy supply. The Northern Tasmania Region provides a prime location for investment in renewable energy production. The Bell Bay precinct offers local, renewable energy assets, infrastructure and expertise allowing it to become a local energy hub, diversifying industry, increasing investment and export opportunity.

Northern Tasmania Investment Taskforce

In 2018 NTDC established the Taskforce to provide quality advice and facilitate financing for projects and business expansions requiring alternative finance options. Its role is to develop and implement a workable plan to attract additional capital for private sector support with a particular focus on smaller projects and proponents that are not supported by current programs.

The Taskforce assists to facilitate, identify and shape investment opportunities, and assist to engage with investors to match the opportunity (including alternative markets, angel investment and equity crowd funding platforms).

Priority Areas

- Promote strategic incentives to attract more investment from existing and new businesses.
- Advocate at a regional level for investment in priority public infrastructure projects that enable economic growth.
- Continue to support the Investment Taskforce and consider how to deliver improved investment outcomes.
- An agreed pipeline of investment opportunities so economic growth and competitiveness is maintained.
- Continue to develop and promote the priority infrastructure list for the Northern Tasmania Region, creating a clear framework for prioritising infrastructure investment opportunities.
- A clear framework for targeting likely investors at a state, national and international level.
- Promote the Northern Tasmania Region as a prime location for renewable energy production.
- Optimise Northern Prison investment opportunity to boost economic growth in the Northern Tasmania Region.

5) Infrastructure

Infrastructure plays a strong role in generating economic benefits for our region, while supporting environmental and social outcomes.

High-quality infrastructure provides opportunities to attract investment and connect regional businesses to the rest of the State, nation and a growing global marketplace. This increases economic growth and productivity. Consideration must also be given to building resilience into the region's infrastructure assets, including consideration of climate change adaption and natural disaster responsiveness.

Priority infrastructure that will enable the Northern Tasmania Region to succeed and grow consistently over time includes:

- Placemaking Infrastructure – Amenities, facilities, service and culture, such as roads, parks, transport and freight infrastructure, quality health and education facilities, services and programs that make the region more attractive to people who want to stay for the long term. This includes appropriately zoned land, supportive town planning and regulatory framework, local libraries and aged care facilities. It also includes lifestyle attributes.
- Information Communication Technology (ICT) Infrastructure – To achieve high rates of connectivity and foster innovative applications through physical and digital infrastructure so that industries and people can readily connect to technology and markets anywhere worldwide.
- New industries and new business models are giving rise to changing infrastructure needs. Adaption and/or revitalisation of older industrial and commercial sites is required to enable new business growth.
- Improved road, rail and air connections will uniquely place Launceston as a freight hub, and allow access to overseas markets within 24 hours. A regional approach to development of transport infrastructure will improve supply chain efficiencies and connect key business precincts.

Placemaking Infrastructure

Prioritising placemaking outcomes in the Northern Tasmania Region will enhance the lifestyle factors that support the attraction and retention of a growing and diverse population and underpin the region's prosperity.

People remain in, and relocate to, regions that offer jobs, amenities, services, better lifestyle, strong cultural values, and a supportive community spirit. Placemaking infrastructure such as quality hospitals, schools, roads, digital inter-connectors, cultural and recreational amenities, and future housing stock, all play an important role in building a community where people want to live. Accommodation and facilities for the growing visitor economy is also required.

Councils in the Northern Tasmania Region are working with communities to develop, plan and implement initiatives which increase the region's vibrancy, liveability and sustainability. In doing so they are reinforcing the region's identity, reputation and its brand.

Regional planning must consider the economic growth targets, a growing aging population, and the resulting requirements for housing, providing adequate land for

'Place matters for prosperity'

Place has always mattered for human prosperity. The direct influence of place on our material well-being is obvious, with physical attributes like climate, geology, topography and accessibility clearly affecting the material living standards of people who live there.

Place affects our prosperity indirectly as well. The activities, attitudes and character of the people who live in a place – rather than its physical attributes – make it attractive (or unattractive) for others to live there too.

People congregate in particular places because place matters for their prosperity. It matters directly and indirectly, materially and non-materially, and for better or worse.

Human beings flourish or languish in place.

https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Building%20Lucky%20Country/deloitte-au-btlc-purpose-of-place-131015.pdf

future businesses and high-value industries, transport corridors and ensuring planned developments provide new facilities that support a growing population.

ICT Infrastructure

The Northern Tasmania Region has a technological advantage – it is one of only a few regions in Australia that can fully participate in the growing worldwide gigabit economy due to the availability of NBN fibre to the premises technology in many locations and the resulting high-speed internet services available to business and residents.

The Northern Tasmania Region is also innovating in the LoRa devices and wireless radio frequency technology (LoRa Technology or long range, low power wireless platform). The LoRa platform has become the de facto technology for Internet of Things (IoT) networks worldwide. LoRa gateways and sensors have already been installed around Launceston and are increasingly being established throughout Northern Tasmania. This provides a platform for community, councils and businesses to utilise the Internet of Things technology and new industry development opportunities.

"One of only a few regions in Australia that can fully participate in the growing worldwide gigabit economy."

Work is underway to have Launceston feature as a site for 5G pilot programs and testing. The application of 3D modeling is also underway for planning processes within councils through the Greater Launceston Transformation project.

Priority Areas

- Manage infrastructure development in a way that maintains the region's liveability while also promoting economic growth.
- Placemaking and regional land use planning initiatives consider the ongoing provision of infrastructure and community amenities for current and future residents.
- Identify opportunities for Northern Tasmania to leverage the region's ICT assets and capability.
- Maintain a pipeline of major private and public infrastructure projects.
- Advocate in the lead up to elections for Regional Priority Projects.
- Prioritise planning and development in Launceston's CBD to support a critical mass needed for retail and hospitality growth.
- Better integrate regional transport and land use planning to ensure efficient supply chain connections throughout the region and inter-regionally.
- Leverage road, rail and air infrastructure investment to grow freight and warehousing related business development.

6) Participation and Productivity

Build and support the region's human capital to improve workplace participation, productivity and responsiveness.

The aim is to ensure the region's economic growth is inclusive and sustainable and that the benefits are widely shared and contribute to improved quality of life. Productivity directly links to our education attainment, health outcomes, investment in technology, digital capacity and our ability to foster an innovative culture.

Increasing productivity will be reflected in higher paid (and higher skilled) jobs in current and future industries. A focus on strengthening human capital will be required to supply more higher paying higher skilled jobs. As a result, these jobs will also attract more talent, and ensure that businesses and institutions in the region are competitive, benefit from strong future-focused leadership and contribute to the wider economy.

Northern Tasmania has lower levels of education attainment compared to Tasmania and Australia as a whole.

A total of 46% of Northern Tasmanian residents hold no post school qualification compared to less than 40% for the rest of Australia.

Northern Tasmanian stakeholders are particularly aware of the economic impact of poor educational attainment and health in our community. While this plan is not directly responsible for delivering health and education services within the region, regional stakeholders understand the importance of monitoring and advocating for programs to improve health and educational outcomes.

Northern Tasmania is different to other regions in one important aspect. The region has a strong community focus, and many new enterprises are motivated to achieve a social purpose. They are motivated to earn a living by 'working with a purpose' beyond just profit, to the benefit of the community and often while addressing social disadvantage.

Many of our enterprise leaders have a passion to make a difference to our community, they volunteer their time and effort to achieve this outcome. This augers well for our ability to implement programs that are focused on up-skilling our unemployed or under-employed, and increasing the opportunities and prosperity for a broad cross-section of the community.

A main driver of the City Deal for Launceston is the University Transformation Project that relocates the university closer to the CBD, but more importantly it reinforces the need for economic transformation by significantly improving our education attainment and

Health and Productivity

'Employee health and well-being has its most obvious effect on organisational productivity through avoidable employee absence on sick or compensation leave. Less obvious, though still important, are productivity losses sustained where individuals attend work while ill or injured (sometimes referred to as presenteeism). Finally, poor employee health and well-being has an indirect effect on productivity through reduced employee engagement levels.'

https://www.apsc.gov.au/how-employee-health-and-wellbeing-affects-organisational-productivity

It is important the region's people live a healthy life for longer to ensure they have the physical and mental health to participate effectively in our economy.

Health impacts on the ability to engage working age people to participate fully in the workforce. To support the vision to be the most liveable region in Australia, the community services and health industry will need to consider innovative programs to deliver high quality and contemporary services to address the needs of the community.

Key regional health and education indicators need to be monitored, so experts can advise appropriate solutions, and stakeholders can advocate for program changes to improve the economic productivity of the region.

"The region has a strong community focus."

continual learning. Education, skills and life-long learning then link to innovation and resilience to succeed in a fast-changing global environment.

With evidence clearly demonstrating that students who stay at school have much better employment and life outcomes, the **Tasmanian Education Act 2016** requires students to continue to participate in education and training until they complete Year 12, attain a Certificate III, or they turn 17 years of age (whichever occurs first). Importantly, the minimum leaving age increases to 18 in 2020.

Other areas of education focus for the region include:

- Improving digital literacy to accommodate the ever-increasing role of technology in the workplace - using technology infrastructure and applications as tools for innovation.
- Building responsiveness into the skills system to ensure the region has the right skills and well-equipped workforce that can respond to a changing business environment.
- Improving the understanding of parents and children at school to complete Year 12 equivalent and/or an apprenticeship.
- Develop new approaches or programs for youth not in employment, education or training (to increase the 25-34 year olds with advanced trade qualifications, diplomas and degrees).
- Developing education centres of excellence based on our regional strengths – for example a focus around food systems.

A stronger economy will provide more opportunity to work with successful businesses and our communities to support young and older people to transition into high-paying industries of the future.

Priority Areas

- Support programs to strengthen transitions to vocational training or higher education linked to the workforce, and deliver the skills and qualifications needed for a growing economy.
- Advocate for trials, opportunities and pathways, for disadvantaged cohorts.
- Seek opportunities to collaborate on relevant education and health programs to advance the regional economy.
- Enable the transition of businesses and workers into new growth industries to maintain diversity and ensure economic resilience.

"A strategy built on collaboration for economic growth."

Implementing the Strategy

A shared vision for the future of the region will be delivered through the collective efforts, sharing, support and trust between all stakeholders.

NTDC recognise that encouraging greater collaboration will improve the outcomes for the region. The REDS promote an approach to work collaboratively and efficiently across all levels of government, community stakeholders and the private sector to optimise the use of available resources. Work has commenced on formalising a regional process to facilitate improved collaboration.

Implementation is not going to be without its challenges, and for some, change is going to bring discomfort as we adjust to new ways of doing things. Throughout the development of this strategy, we need to continue supporting each other to achieve our vision. Collaboration will require strong leadership within the region.

The extension of the City Deal for Launceston beyond 2022 provides an opportunity to engage three levels of government to assist in delivering the Implementation Program.

The 'REDS Implementation Program'* aims to optimise the use of available resources to deliver economic benefits to the Northern Tasmania Region. The Implementation Program will be developed by working collaboratively and efficiently across all levels of government, community stakeholders and the private sector. It will be a process driven approach to delivering a set of agreed actions to achieve the REDS Strategic priorities. NTDC acknowledges that with limited resources, we must promote a partnership approach and work in collaboration with all stakeholders to achieve the economic prosperity the region seeks.

The metrics for Northern Tasmania include the measures that will be used by the City Deal Board to consider how the region is progressing and the outcomes of the REDS. Tracking the economy by monitoring key statistics that measure changes to people, participation and productivity is one way of indirectly measuring the progress of the REDS and monitoring the general health of the economy.

Priority Areas

- Workshop with Federal, State and Local Government and key stakeholders the key strategies: develop and refine existing programs to meet the needs of the Northern Tasmania Region.
- Develop a Regional Collaboration Model that allows all regional stakeholders to be networked into the implementation and communications of the REDS.
- Optimise the City Deal Agreement to achieve REDS outcomes.
- Foster a region that embraces collaboration and communicates with a clear, coordinated voice.

**As outlined in the REDS Implementation Management Plan. It will be structured as:*
- *A REDS Implementation Plan with a three-year outlook*
- *A 12 month Action Plan*

REDS Implementation Plan (REDSIP)

The REDS Implementation Plan has a three-year outlook and is guided by an Annual Program for development and review. Once established, this program will be repeated for as long as required to fulfil the strategic priorities of the REDS. The annual program will include:

- **Determine Proposed Initiatives:** With consideration to the outcomes of the annual program evaluation, REDS strategic priorities and the operational environment, the REDS Implementation Team will prepare proposed initiatives for the REDSIP.
- **Prioritisation of Proposed Initiatives:** The REDS Implementation Team, in consultation with Local Government members and other key stakeholders, as required, will determine prioritised proposed initiatives for the REDSIP, by referring to the Prioritisation Criteria (included in the REDSIP Management Plan).
- **Advocacy, Funding and Resource Allocation:** The REDS Implementation Team will work collaboratively to document commitments for delivery of the REDSIP. This will require working collaboratively with:
  - Local, State and Federal Government
  - Major stakeholders such as UTAS and Launceston Chamber of Commerce
  - Northern Tasmania Collaboration Network
  - Other participating supporting organisations

  to work on how the priority initiatives can be effectively delivered over the term of the plan. This will require a commitment to adjust current programs and resource new programs. During this phase each initiative will be allocated a responsible stakeholder, a supporting project team may be identified, timeframes, measures and targets for initiatives will be determined.
- **Approve and Report:** The REDSIP will be approved by the NTDC Board and endorsed by Local Government members, State Government and City Deal Executive. The approved plan will be publicly available on the NTDC website, and will be provided to;
  - Northern Tasmania Collaboration Network
  - Stakeholders and other participating supporting organisations

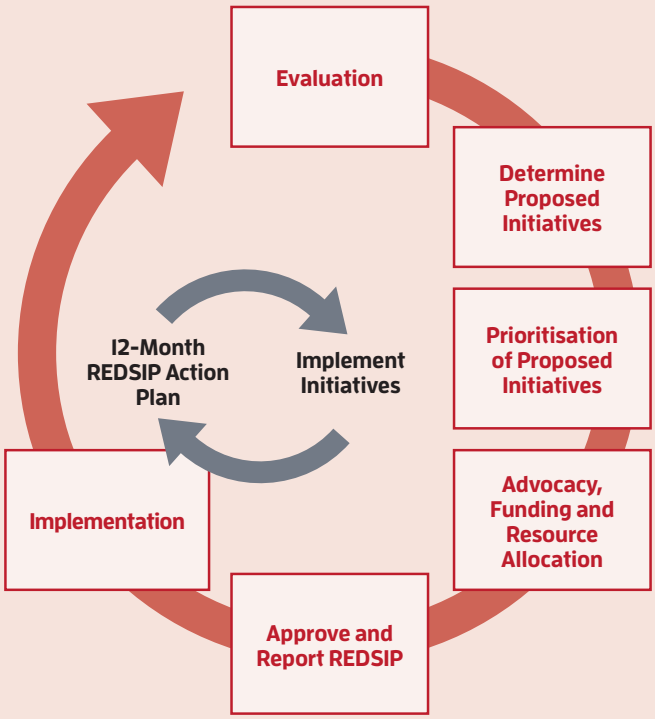


Figure 9 **REDSIP Annual**

Figure 10 **REDSIP Implementation and Monitoring**

Strategies		Agents				
		NTDC / Councils	**Business / Industry**	**Investors / Institutions / Partners**	**State Government Agencies**	**City Deal**
1	**Population** More highly skilled people are attracted to the region and residents are upskilled to fill the higher paid jobs.	Implement	Facilitate	Facilitate	Implement	Advocate
2	**Innovation** Businesses add greater value to goods and services via innovation and R&D aligned with the region's competitive strengths.	Advocate	Implement	Implement	Facilitate	Facilitate
3	**Investment** Businesses and people with great ideas and skills have access to investment funds to grow and prosper.	Facilitate	Implement	Implement	Facilitate	Advocate
4	**Participation and Productivity** Our region is diverse, healthy and happy. There is more equality with access to higher paid jobs and quality housing options.	Advocate	Advocate	Advocate	Implement / Facilitate	Advocate
5	**Infrastructure** Governments work in collaboration with the region to deliver priority regional infrastructure, transport networks, town planning, community services, parks and recreation facilities.	Implement / Facilitate	Advocate	Advocate	Implement / Facilitate	Facilitate
6	**Export** A strong market-based economy that reflects regional attributes – innovative, collaborative, agile, resourceful and many products and services are exported off-Island.	Advocate	Implement	Facilitate	Facilitate	Advocate

Implementation and Monitoring

The successful implementation of the REDSIP is dependent on cooperation between numerous stakeholders, who have different accountabilities. To guide implementation these accountabilities are summarised in Figure 8 and are:

- **Facilitate** – Assist others in the progress of actions for which they are accountable
- **Advocate** – Speak on behalf of NTDC/Councils and the regional community in favour of, or against an action/ omission for the benefit of the region
- **Implement** – Put into effect the action or some other agreed initiative

Key Roles

The delivery of the REDSIP will be overseen and monitored by the NTDC Board. The key role of the NTDC Board will be to ensure there is a sustained focus on the effective implementation of the priority actions identified in the REDS. Accountability for the delivery of individual actions identified in the REDSIP resides with the agency that is assigned lead responsibility in the implementation. Stakeholders for each action are expected to provide input, specialist advice and information, contacts and linkages to enable the delivery of the specific action – and to proactively advocate to other parties to progress delivery.

REDS Implementation Team (NTDC)

Accountable for delivery of the REDSIP. Key responsibility:

- Ensure strategic alignment between the REDSIP and the REDS
- Co-ordinate and facilitate the Annual Program of the REDSIP
- Develop, manage and facilitate the 12-Month Action Plan
- Coordinate any reporting activity relating to the REDSIP
- Facilitate relationships, and stakeholder communications to progress initiatives and opportunities
- Actively identify, source, advocate for, and champion funding opportunities that will support the implementation of the REDSIP

NTDC Board

Responsible for delivery of REDSIP. Key responsibility:

- Monitor and maintain oversight of the REDSIP
- Ensure the REDS Implementation Team is adequately resourced, enabled and supported
- Establish a subcommittee of the NTDC Board, that is responsible for the REDSIP and is accountable for its implementation. The board will monitor the subcomittee's performance
- Assist to resolve any significant REDS Implementation Program risks or issues

City Deal – Community and Business Advisory Group (CBAG)

Consulted to provide advice and feedback. Key responsibility:

- Review REDSIP
- Receive updates quarterly

State Government

- Consulted to provide advice and feedback. Key responsibility:
- Endorse REDSIP
- Receive updates quarterly

Local Government Members

Consulted to provide advice and feedback. Key responsibility:

- Endorse REDSIP
- Receive updates quarterly
- Ensure strategic alignment between the REDSIP and other Council programs.
- Assist to identify, resource, prioritise and champion funding opportunities that will support the implementation of the REDSIP

Stakeholders

This is a non-static group of support resources that may be consulted and/or nominated as a resource, as required to progress initiatives in the REDSIP. This may include, but is not limited to:

- Local, State and Federal Government representatives
- Major stakeholders such as UTAS and Launceston Chamber of Commerce
- Collaboration network
- Professional bodies
- Industry networks
- Regional business associations
- Business representatives
- Specialists or nominated individuals

Key responsibility:

- Assist to identify, resource, prioritise and champion funding opportunities that will support the implementation of the REDSIP
- Assist to prioritise proposed initiatives in the REDSIP and identify potential intersections and opportunities for collaboration
- Identify and communicate strategic links across projects that may impact the REDSIP
- To provide information and support, and/or participate in meetings, forums or discussions as necessary to assist the review, development, prioritisation, implementation and delivery of:
  - Initiatives agreed in the REDSIP
  - Actions agreed in the 12-Month REDSIP Action Plan

Metrics for Northern Tasmania

The Metrics for Northern Tasmania are a commitment of the Launceston City Deal and have been developed to measure economic and education outcomes for the Northern Tasmania region and to monitor the success in implementing the Regional Economic Development Strategy.

The Northern Tasmania region includes the local government areas of Break O'Day, Dorset, Flinders, George Town, Launceston, Meander Valley, Northern Midlands and West Tamar.

The metrics are provided in three parts:

- **People** – selected characteristics of the region's residents
- **Participation** – the region's participation in education and employment
- **Productivity** – how productive the region is and its contribution to the economy.

The metrics were developed in consultation with a working group with members from local councils, Northern Tasmania Development Corporation, Launceston Chamber of Commerce, Regional Development Australia (Tasmania), University of Tasmania and the Department of State Growth. The Tasmanian Treasury and Department of Premier and Cabinet were also consulted in their development.

People

Population	The total population of the region based on place of usual residence.	Australian Bureau of Statistics (ABS) 2016 Census of Population and Housing, Launceston and North East (602) Time Series Profile, Catalogue Number 2003.0, T03 Age by Sex, Count of Persons
Age profile	The age profile of the region is based on place of usual residence. Understanding the age profile of the region helps to predict service demand such as health and education and also to understand the working age population.	ABS 2016 Census of Population and Housing, Launceston and North East (602) Time Series Profile, Catalogue Number 2003.0, T03 Age by Sex, Count of Persons
Domestic and international migration	A person's place of usual residence five years before the Census providing an indication of the stability of the population and the amount of domestic and international migration.	Table builder 2006 and 2011 Census, Counting Persons, Place of Usual Residence, UAI5P Usual Address Five Years Ago Indicator by Statistical Division (SD). General Community Profile, Catalogue 2001.0, G42 Place of Usual Residence 5 Years Ago by Sex, Count of persons aged 5 years and over

Participation

Education

Year 12 completion rates	The number of Year 12 students and the proportion of students who achieved a Tasmanian Certificate of Education (TCE) and an Australian Tertiary Admission Rank (ATAR).	Office of Tasmanian Assessment, Standards and Certification (TASC), Attainment Profile for schools in Northern Tasmania Region
Vocational Education and Training (VET)	VET enrolments and completions	National Centre for Vocational Education Research [https://www.ncver.edu.au/] as compiled by Skills Tasmania
University of Tasmania	UTAS enrolments and completions at its Northern Tasmania campuses.	University of Tasmania as compiled by the Business Intelligence and Institutional Performance Division [bi.info@utas.edu.au]
International students	The number of international students studying at secondary schools, colleges and university.	Registrar and Admissions Officer, Launceston Church Grammar School, Scotch Oakburn College. Government Education and Training International, Tasmanian Government Department of Education Policy, Strategy and Performance Unit. Business Intelligence and Institutional Performance Division, University of Tasmania.
Highest qualification	The highest qualifications of persons over 15 years of age in the region.	ABS 2016 Census of Population and Housing, Launceston and North East (602), Catalogue 2003.0, T31 Non-School Qualification: Level of Education by Age by Sex, Count of persons aged 15 years and over with a qualification(a)

Employment

Labour force status	The labour force characteristics of the region.	ABS 2016 Census of Population and Housing, Launceston and North East (602) Time Series Profile, Catalogue Number 2003.0, T33 Labour Force Status By Age By Sex, Count of persons aged 15 years and over
Unemployment rate	The number of unemployed persons as a percentage of the labour force being employed and unemployed persons who are actively looking for work.	Derived from the ABS 2016 Census of Population and Housing, Launceston and North East (602) Time Series Profile, Catalogue Number 2003.0, T33 Labour Force Status by Age by Sex, Count of persons aged 15 years and over
Youth unemployment rate	The number of unemployed persons aged between 15 and 24 years as a percentage of the labour force being employed and unemployed persons who are actively looking for work.	Derived from the ABS 2016 Census of Population and Housing, Launceston and North East (602) Time Series Profile, Catalogue Number 2003.0, T33 Labour Force Status by Age by Sex, Count of persons aged 15 years and over

Participation rate	The percentage of the total working age population (persons aged between 15 and 64 years) that are part of the labour force (employed and unemployed persons who are actively looking for work).	Derived from the ABS 2016 Census of Population and Housing, Launceston and North East (602) Time Series Profile, Catalogue Number 2003.0, T33 Labour Force Status by Age by Sex, Count of persons aged 15 years and over
Employment by industry	The number of persons employed within different industries.	ABS 2016 Census of Population and Housing, Launceston and North East (602), Catalogue 2003.0, T34 Industry of Employment(A) by Sex, Count of persons aged 15 years and over

Productivity

Gross Regional Product	The estimated Gross Regional Product (GRP) for the region.	https://economy.id.com.au/northern-tasmania
Number of Businesses	The number of actively trading businesses as at 30 June in each year indicated.	ABS, 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2013 to June 2017; Released at 11.30 am (Canberra time) 20 February 2018; Businesses by Local Government Area by Industry Division by Employment Size Ranges, June 2017
Businesses by Industry	The number of actively trading businesses as at 30 June in each year indicated by industry.	ABS, 8165.0 Counts of Australian Businesses, including Entries and Exits, Jun 2013 to Jun 2017; Released at 11.30 am (Canberra time) 20 February 2018; Businesses by Local Government Area by Industry Division by Employment Size Ranges, June 2017
Median annual income	The median income of the community provides an indication of how economic growth is translating to person income.	ABS, 6524.055002 Estimates of Personal Income for Small Areas, 2011-16, Table 2 Estimates of Personal Income, Employee Income, 2011-16, Statistical Area Level 4
Worker productivity	An indication of the value added per worker, by dividing the industry value by the number of persons employed in that industry.	National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled and presented in economy.id by .id, the population experts. https://home.id.com.au via https://economy.id.com.au/northern-tasmania/
Value of exports	The estimated value of exports outside of Northern Tasmania to domestic and international markets.	https://economy.id.com.au/northern-tasmania
Innovation	Under investigation	

A note on data sources

Data has been sourced based on the Australian Bureau of Statistics SA4 Launceston and North East Tasmania which corresponds with the Northern Tasmania region.

The source of data for each metric has been referenced in addition to the potential limitations of each data set.

Data has been accessed from a variety of sources including the Australian Bureau of Statistics, Government data sets and regional economic models. The data provided is the best available at the time of compiling the metrics however due to the methodology used to derive the metrics, particularly those that require regional data to be modelled, such as Gross Regional Product, have recognised limitations and their accuracy cannot be relied upon.

The metrics relating to innovation are incomplete at this time. The Commonwealth government is leading a review of innovation metrics through the Innovation Metrics Review Taskforce. A final report on the review, including a framework for the measurement of innovation in Australia is expected in 2019. The metrics will be updated once this review is complete.

Developing the REDS

The steps taken to develop the REDS

Step One
Launceston City Deal called for a regional vision through the development of an economic development strategy for Northern Tasmania

Step Two
Analysis of existing plans and intent to seek to achieve the targets set by the Futures Plan

Step Three
Key Directions Report – to understand where we are and what needs to be done to achieve the targets

Step Four
Regional Consultation - with 100 progressive businesses plus stakeholder organisations

Step Five
Development of the Draft REDS for discussion with stakeholders and City Deal Board

Step Six
The REDS Final Document

In developing the REDS, NTDC has established a consultative framework to ensure contribution from a wide range of representative regional voices, including the following regional partners/stakeholders:

- A Steering Committee – made up of representatives from University of Tasmania (UTAS), Department of State Growth, Office of Coordinator General, Launceston Chamber of Commerce, RDA Tasmania, Skills Tasmania, Tourism Northern Tasmania, NRM North and NTDC Board
- General Manager's Reference Group - including the General Managers of the seven NTDC member Councils in the region
- Launceston Chamber of Commerce
- Tourism Northern Tasmania (and East Coast Tourism)
- NRM North
- Regional Development Australia, Tasmania (Northern Office)
- Over 100 progressive enterprises from throughout the Northern Tasmania Region
- Cityprom
- NTDC Board – with members representing key industry sectors, including agribusiness, tourism, education, manufacturing, health, small business and technology
- Local health organisations (via the Community and Health Industry Committee)
- Key representative industry bodies and business leaders
- Migrant Resource Centre – North
- City Deal Executive Board
- State Government agencies
- Commonwealth Government agencies
- Parliamentary Members from the region

Regional Strategies and Plans

Regional and Local

- Launceston Industrial Strategy 2010
- Launceston Residential Strategy 2010
- Mountain Bike Tourism Potential in Northern Tasmania 2011
- Northern Integrated Transport Plan 2013
- Tasmania's Future with Irrigation 2013
- Greater Launceston Plan 2014
- Northern Tasmania Regional Housing Study 2014
- Industrial Land Study 2014 (Northern Tasmania)
- Launceston Master Plan 2015
- Greater Launceston Metropolitan Passenger Transport Plan 2016
- Velley Central Industrial Precinct Technical Guide 2016
- Northern Regional Futures Plan 2016
- Bell Bay Industrial Precinct Technical Guide 2016
- Key Directions Report for Northern Tasmania 2018
- Regional Land Use Strategy 2018
- My Place My Future 2019
- Tomorrow Together 2019
- Launceston City Deal 2019-2022
- Local Council Economic Development Strategies
- Launceston Economic Development Strategy - Horizon 2021
- Legana Structure Plan and Town Centre Structure Plan
- Beauty Point Foreshore Master Plan
- Gravelly Beach Foreshore Master Plan

State

- Tasmanian Energy Strategy 2015
- Tasmania's Population Growth Strategy 2015
- T21 Tasmania's Visitor Economy Strategy 2015-2020
- Tasmanian Integrated Freight Strategy 2016
- Battery of the Nation – Tasmania – Concept Study, Knowledge Sharing Report 2018
- Cultural and Creative Industries Strategy 2019
- Accelerating Trade Grant Program 2019
- 30 Year Tasmanian Infrastructure Strategy 2019 (Draft for comment)
- Business Growth Strategy 2019-2023
- Tasmanian Trade Strategy 2019-2025
- Tasmanian Defense Industry Strategy 2023

Federal

- Smart Cities Plan 2016 (City Deals, Launceston 2019-2022)
- Australia 2030 Prosperity through Innovation 2017
- Sector Competitiveness Plans
- Australia's Tech Future 2018
- Statement of Principles for Australian Innovation Precincts 2018
- Prospective Hydrogen Production Regions in Australia 2019

Growing our future together.

Front cover photograph courtesy of Chris Crerar 2018