

Statement of Purpose – a Regional Economic Development Organisation in Northern Tasmania

Background

Northern Tasmania has been lagging behind the rest of the State when it comes to employment growth, youth unemployment, productivity, and overall economic performance. There is agreement that this performance is unacceptable and needs to be urgently addressed.

The current economic lead indicators in the Northern region are unacceptable and having aspirational targets without agreed priorities and implementation plans is also unacceptable - as is doing nothing. We cannot rely on one big investment or the general economy to improve, there has to be leadership and change now. Worst case scenario planning paints a bleak picture for the Northern economy and for our quality of life.

Feedback from key State and Commonwealth stakeholders indicates that one of the reasons is due to the failure of the region to present agreed positions when advocating for investment, and articulate its consistency on regional priorities, the region underperforms and is not maximising on its economic outcomes.

The Northern Regional Futures Plan for the North recommends that we capitalise on three current key industry strengths (i.e. known as pillars): Food and Agribusiness; Tourism and Competitive Manufacturing.

The plan also indicates the need to foster other emerging industries to help achieve these economic aims. Two emerging sectors already identified as economic and social drivers within the region are Health and Community Services and Education.

Targets

The North is targeting major improvements to its economic performance over the next 10 years to 2026. By increasing our **Gross Regional Products (GRP) by 5% pa to 2026, compared to 1.1% pa over the past 10 years**. We need to create 8,000 new jobs over the same period to reduce our unemployment rates below the national average, and we need to place particular emphasis on our issue of high youth unemployment that has reached the 18-19% range in recent months.

To see the **average weekly pay packet across the region increase by \$100 (in real terms) by 2026**, and in recognising the variation in incomes across multiple sectors, we need a priority placed on improving productivity and the development of private sector higher value jobs. This will allow for more discretionary income to be spent on services and products in our region. **It is also understood these targets need to be revised and reviewed annually as conditions change and new data becomes available.**

A Case for Change

We cannot afford to maintain a ‘business as usual’ approach and expect a different result. The perceived lack of coherence across the region sends confused and contradictory messages, this in turn creates doubt about the merit of both private and/or government investment. Doubt leads to either inaction or a suggestion that a new strategy or study is required.

It is noted in the Bill Fox Report that “the North spends too much time planning and not enough doing”.¹

All influential stakeholders should be provided with an opportunity to share a common goal. One which puts the region’s sustainable economic performance at the centre of any priorities. This means

¹ Review of Regional Bodies in Northern Tasmania – Final Report February 2016

² Competitiveness and the Role of Regions by Prof. Michael E. Porter 2002

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parochialism and intra-sector competition needs to be discarded. The region's stakeholders need to place greater value on collaboration and co-operation to achieve outcomes with a unity of purpose.

Co-ordinating industry groups based on contemporary models of collaboration² around our industry pillars will encourage sharing experiences and knowledge, and better define impediments (to remove barriers) with the purpose of increasing productivity, resource sharing, and increasing resilience and sustainability within the sectors.

A regional economic development organisation for the North has a major role to:

- Facilitate the skills development requirements across the sectors;
- Identify and plan to address impediments/enablers within the region;
- Support **and advocate** for the most important enabling infrastructure projects; and
- Communicate opportunities for the private and community sectors.

Purpose

The new organisation is required to provide **pro-active** regional leadership, **that is engaged with business and the shareholders** to consolidate an agreed vision and implement a strategic economic action plan based on the Northern Regional Futures Plan framework. **The organisation needs to be a strong advocate to government and investors to promote the region. It is understood that the regional city of Launceston, is dependent on the success of the North's regional towns and rural areas success and vice-versa.**

The organisation will be governed by a skills-based board and independent chair, with the majority of membership coming from the private and community sectors.

The inaugural funding will comprise the current funding model of Northern Tasmania Development i.e. member Councils as major shareholders. It will be the intent of the new organisation to raise other funding support from other private and government sources, **which must also be strategically aligned. Not funding without focus on the outcomes and accountabilities set by Council shareholders.**

The new organisation will also adopt a process to determine the top regional priorities and to give these the necessary focus to ensure successful outcomes. This will be achieved through the following:

- must be **strategic**, research-based and market-driven,
- must be socially and environmentally considerate;
- prescribing the 'what', 'how' and 'when' of success;
- better engagement/connection with the business sector and the broader community;
- aligning projects with State and Federal priorities; and
- promoting private sector investment.

The 'How' of the New Organisation

It is agreed that meeting KPIs and outcomes will be particularly important for the new organisation, as is the 'how'. The need to be an exemplar of contemporary best practice and collaboration throughout the region is a must.

This can be underpinned by staff secondments between agencies and co-location with other pro-active agencies to ensure the new organisation exposes as many stakeholders as possible to contemporary and innovative practices.

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