



## **Project Brief**

# **Flinders Business Economic & Social Structural Review**

**March 2018**



## INTRODUCTION

Council has been successful in obtaining financial assistance through the Community Fund Stream of the Building Better Regions Program for a Flinders Business Economic and Social Structural Review of the Flinders Council Furneaux Region.

This Project Brief essentially seeks to outline the requirements for potential consultants to prepare a submission and undertake the required consultant work to successfully complete this review.

## BACKGROUND

### Previous Initiative

For some time, Council has realised that, as an island in a "Very Remote Area", we are disadvantaged and that where current assistance does exist, it is inadequate and not reflective of actual justifiable needs.

For instance, as per the following Flinders Council resolutions, Council has also been looking at the current Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES)

*Council Resolutions:*

- 1. That Flinders Council lobbies the relevant government agencies and Ministers to amend the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) to include an intrastate component i.e. between 'mainland' Tasmania and the Furneaux Group. The aim of this Notice of Motion is to benefit residents of the Furneaux Islands.*
- 2. That if deemed appropriate, depending on current shipping arrangements, the General Manager liaises with King Island Council re their possible involvement in changing the BSPVES to include an intrastate component.*
- 3. That a business plan/report outlining the advantages of and reasons for an intrastate component of the BSPVES be developed by Council to support the lobbying process and that a budget allocation be considered at the half yearly budget review for this purpose.*

### Recent Initiative

Recently Council made a submission to the the Rural and Regional Affairs and Transport Reference Committee inquiry into the Operation Regulation and Funding of Air Route Service Delivery to Rural Regional and Remote Communities.

In doing so it was recognised that affordable airfares, for a safe, regular and reliable service, supports population growth in remote regions such as ours and that growing population in regional areas is advantageous in relieving the stress on metropolitan centres and making services in remote regions sustainable.

Council submitted that inter alia that the Australian Government's Regional Aviation Access Program (RAAP) provides much needed funding to assist with the costs of capital works (but not operations) at the airport. Council considers it essential that this program continues potentially past the current Round 4 allocation.

Currently a 1 for 1 funding split is applied regardless of location or size of airport. As a comparison the Building Better Regions Infrastructure Program, a more recent Australian Government Program, classifies Flinders as "Very Remote" with a 3:1 funding allocation

applicable. Ideally, allocations should be based on relative disadvantage through financial reporting, much like the Grants Commission equalisation methodology, but this change seems a reasonable start, with minimal additional administration required by the Australian Government.

### **The case for review**

As indicated, the case to establish the extent of Council's disadvantage, and with it sound arguments that could potentially quantify a meaningful "Community Service Contribution", could not be clearer.

## SUCCESSFUL PROJECT APPLICATION OUTLINE

The following is the general summary of the submission that enabled Council to be successful with its application.

### A Preface

Flinders Council, consisting of the main populated Flinders Island, Cape Barren Island and many other islands in the Furneaux Group, has always been disadvantaged by its physical isolation as an island and its small population base. Although State and Federal Governments intuitively accept the challenges faced by remote island communities, it is difficult to quantify the extent of this disadvantage for decision making in policy.

A comprehensive socio-economic analysis that goes beyond the basic (and often unreliable) ABS data on Flinders and Cape Barren Islands does not exist. Furthermore, the information for the 2016 Census data for the Furneaux Islands also include data from 3 collection districts in NE Tas (for the first time), thereby ensuring that the problem of basic and unreliable information is further exacerbated. For instance, the State Grants Commission provides a factor of 2 to the sea leg distance between Tasmania and Flinders Island to address this aspect of disadvantage but on what basis is this derived at? Similarly Building Better Regions Infrastructure Fund provides a remote classification requiring a 3 to 1 contribution but how can Flinders be reviewed in a meaningful way?

The Flinders Business Economic and Social Structural Review would therefore further the base case for grants for Council and funding partnerships with new and existing enterprises, Aboriginal and other community groups. It is intended to cover all aspects of the Island's operation that have meaningful impacts including such aspects as freight constraints and costs, lack of economies of scale that affect costs, and impact of the costs of living. It will particularly address and dovetail into existing Commonwealth and State measures to add value and refinement to what transpires on Flinders.

In addition to the apparent increased cost to live here, anecdotally there is a significant volunteering base that exists that, if formally quantified, could have substantial benefits to Council, other agencies, community groups etc. that would support and quantify the level of in-kind support that small island communities provide and that offset our actual disadvantage.

Estimated cost for such a comprehensive study is around \$70k. This is way beyond Flinders Council's financial means. In part this is because of it essentially needing to be carried out at a high level with significant expertise that is only available nationally, compared with other Council priorities which give a direct local benefit. Without a significant grant the project will not be possible and the outcomes potentially compromised if a lesser project was undertaken.

The Building Better Regions Fund – Community Investments Stream is however a potential funding source. Given our remote classification a smaller \$17,500 (25%) contribution is considered reasonable. The study, when completed, will be made available to all levels of Government and local organisations to assist them in their growth.

### B Merit criterion 1 – Economic benefit

*The economic benefit your project will deliver to the region during and beyond the project period (15 points) Economic benefits for a region may cover increases in economic activity,*

*improvements in productivity, wider access to markets or fairer and more equitable economic outcomes. Examples of how your project could demonstrate these economic benefits include*

***(a) increasing the number or value of jobs, new businesses or the production of goods and services in the region (this includes direct and indirect opportunities created through the project)***

Project is expected to quantify opportunities for those jobs that are either not being undertaken but could be or substantiate why they are being undertaken and the rationale for their continuation and mitigating the potential effect of a funding body withdrawing funding

***(b) providing opportunities for growth in existing sectors, e.g. tourism, agriculture, manufacturing***

Project is expected to identify opportunities to grow the existing sectors by identifying gaps in services that are not being delivered and support cases for structural adjustment by Government agencies for local investment.

***(c) the use of local suppliers and goods***

An expected outcome post-study aided through participation from local sources. Some of the data collection will be undertaken locally with some personnel on Flinders Island capable of providing local expertise as a direct sub consultant to the main project deliverer.

***(d) increasing efficiency of the transport system or service delivery***

Potential outcome as the cost structures of major infrastructure on the Island are severely dependent on the amount of subsidisation from State and Federal Governments. Inter alia this work will quantify the actual disadvantages associated with transport to and from the islands as well as on-island with grants that are currently provided or may in the future be better justified.

***(e) increasing Indigenous economic participation – including Indigenous employment and supplier use outcomes***

An expected outcome post-study aided through participation from local indigenous groups through the Flinders Island and Cape Barren Islands Aboriginal Associations.

***(f) the degree to which the project delivers benefits beyond the project period.***

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise, i.e. to provide all stakeholders with the tools to refine their policies to justify increased support to the Flinders Council region, enabling local organisations to more effectively plan, target and deliver job opportunities, goods and services. In addition, the outcomes of the project will provide all stakeholders with the tools to refine their policies.

## **C Merit criterion 2 – Social benefit**

*The social benefit your project will deliver to the region during and beyond the project period (10 points) Social benefits for a region may cover increases in regional amenity, improving community connections and inclusion and providing opportunities for learning and knowledge creation. Examples of how your project could demonstrate these social benefits include*

### **(a) making a region a more attractive place to live**

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise, i.e. to provide all stakeholders with the tools to refine their policies to justify increased support to the Flinders Council region as a more attractive place to live.

### **(b) improving community connections and social inclusion**

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise, i.e. to provide all stakeholders with the tools to refine their policies to improve community connections and social inclusion.

The Island way of life is historically and necessarily distinct from other regional locations. Community connections are strongly associated with place. It is known that the population is aging in situ with concomitant impacts on community connections. It is also known that some “young returners” have settled back on island in recent years. The data collected in the project can inform strategy to encourage young returners as a way of underpinning strong social /community connections. Data will also assist in land use planning, health and facilities policies, planning and delivery.

### **(c) supporting or protecting local heritage and culture**

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise, i.e. to provide all stakeholders with the tools to refine their policies to support and protect local heritage and culture.

Local heritage and culture of these Bass Strait islands are strongly linked to landscape as well as the built environment. Data collected in the project will assist in the prioritisation of protection and restoration projects as well as interpretive measures aimed at increasing visitor interest in the unique and nationally important history of the Furneaux Islands Group.

### **(d) strengthening community institutions, governance and leadership capacity**

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise, i.e. to provide all stakeholders with the tools to refine their policies to strengthen community institution, governance and leadership capacity.

The data obtained from the project will support community institutions and significantly improve governance and leadership by contributing to policy direction and decision making that impacts the local communities, by improving accountability, potentially informing alternative financing models and providing the ability to match investment to sound strategy.

***(e) increasing community participation in local decision making***

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise. To provide all stakeholders with the tools to refine their policies to increase community participation in local decision making.

The project data will enable more detailed analysis of the Community's capabilities as well as needs. Building on the strong traditional base of community involvement, the project will enable the Community to prioritise and participate in multiple projects ranging from place-making to on-island service delivery and entrepreneurial activities.

***(f) increasing community volunteering***

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise. To provide all stakeholders with the tools to refine their policies to increase community volunteering.

Volunteering is alive and well in the Furneaux Islands. An increase in the number and type of community grants and projects which will be better justified by project data, will enable an increase in volunteering as islanders are enabled to design new models for community service delivery.

***(g) the degree to which the project delivers benefits beyond the project period***

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise.

***(h) addresses disadvantage within the community.***

The clear majority of the benefits derived will be delivered post the project period as this is the primary aim of the exercise.

**D Other Aspects**

In addition, there are a number of other aspects that the consultant need address. These include, but are not necessarily limited to, the following:

Social Justice

- What fairness and equity policies and programs do Commonwealth and State Governments currently recognise in relation to remote areas like Flinders Island (FI) – and what are the omissions and gaps in relation to how FI currently approaches and benefits from these?
- Is there a case for a greater level of support than that provided under current practice?

Economics

- Are the existing and potential competitive advantages of the FI economy well understood and adequately pursued?
- What economic policies and programs do Commonwealth and State Governments currently recognise in relation to remote areas like FI – and what are the omissions and gaps in relation to how FI currently approaches and benefits from these? ... and is there a case for a greater level of support than that provided under current practice?

Local Government

- What is the financial impact on the operation of Flinders Council due to the impact of being a remote island?

## CONSULTANCY REQUIREMENTS

The successful consultant will be determined following assessment of written submissions which include the following aspects:

### 1 Experience

Details of previous experience and or projects undertaken of similar scope and size that demonstrate that they have the requisite abilities and skills in which to carry out the work. This should also include CV's of the persons that are assigned to perform the tasks.

### 2 Project Methodology

Details of the proposed methods of data collection, sources and especially how the consultant will approach and obtain local data collection and deliver on elements that are detailed under B and C (Merit Criteria 1 & 2), D (Other Aspects) as well as the specific task in relation to the current Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES).

Demonstration of innovative approaches taken will be highly regarded.

### 3 Project Outputs

It is essential that the analysis delivers a sound case to quantify the types of disadvantage that exist and supporting information of a notional "Community Service Obligation" that could be demonstrated as being applicable to Flinders Council.

Research that includes other examples and rationale will be highly regarded.

### 4 Project Time Frame

Proposed start and finish for the project that meets the project deadline of September 2018.

### 5 Project Costs

This is a fixed Lump Sum Project. Submissions should include a final cost with a detailed schedule of how it is proposed to be made up with the applicable schedule of rates. As a guide Council has a budget cost of \$70,000.

## FURTHER INFORMATION CLOSING DATE

Further information may be obtained by contacting the General Manager at the Council Office by phone on 03 6359 5001 or by email [vicki.warden@flinders.tas.gov.au](mailto:vicki.warden@flinders.tas.gov.au).

Submissions shall be sent via email to [office@flinders.tas.gov.au](mailto:office@flinders.tas.gov.au) with a copy to [vicki.warden@flinders.tas.gov.au](mailto:vicki.warden@flinders.tas.gov.au) by close of business on **Monday 23 April 2018** with **Flinders Business Economic & Social Structural Review Submission** noted in the Subject Line.

Lowest or any submission not necessarily accepted.

**Bill Boehm**

General Manager