

Mayor Annie Revie
Flinders Island Council
PO Box 40,
Whitemark Tasmania 7255

10 May 2019

Dear Mayor Annie Revie,

Further to the Northern Tasmania Development Corporation Ltd (NTDC) Members Meeting on 8 May 2019, I would like to clarify and confirm our requests for you to table with your Council as you formalise your 2019/20 budget process.

As per the meeting:

1. NTDC Funding Extension Request.

NTDC's three-year funding arrangement is due for review by the end of 2019 calendar year. Due to our ongoing negotiations with the State Government to maximise the outcomes for the Northern Tasmania economy, before we can release the Draft Regional Economic Development Plan (REDP), this has delayed the original timeframes planned for the adoption of the REDP. NTDC's intention to provide you with a three-year plan based on the REDP actions and outcomes before June 2019 has therefore, also been delayed.

It is now anticipated that NTDC will present a three-year plan and the proposed three-year funding request at the NTDC November Member's meeting. This will then need to be considered by each council member during the following months.

Funding Recommendation:

That Council extend the half year funding agreement commitment to NTDC to a full budget year 19/20 commitment based on the current funding formula (this in effect is a 6 month extension of our current agreement). Council contribution is noted in the appendix.

2. NTDC additional projects to maintain the momentum.

Although the REDP is delayed with the State negotiations, NTDC is proposing to undertake a number of additional projects in 2019/20 that align with the current REDP strategy. This will maintain the momentum and enthusiasm with all the regional stakeholders NTDC has consulted and engaged with over the past 18 months. For example, NTDC will be responsible for implementation and oversight of some of the Regional Priority Projects approved by Council Members in the lead up to the Federal Election (assuming some funding is secured through the elected Federal Government). To resource these projects and some others we will draw down on our cash reserves to get these underway. The types of programs under consideration include:

1. Population Program (previously circulated to Council Members for consideration)
2. Bell Bay Hydrogen Energy Hub – oversight and management of the scoping study
3. Community and Health Industry Committee Support (cluster and supply mapping)
4. Food branding project (UNESCO Creative Cities Bid feasibility to be investigated with financial contributions beyond Council Members)
5. LoRA Network extended for the whole region (investigate and work with Smart Cities program)
6. Industry Sector Roundtables (eg. Red Meat Meeting).

It should be noted that the NTDC Board is the governing body to ensure the final set of projects align with our strategy and deliver good value for money. The NTDC Board has also stipulated that we maintain 3 months of operational cash reserves (approximately \$100,000) as a buffer for unforeseen circumstances.

These projects listed in the appendix are for Council's information. Feedback and comments are always welcome.

3. NTDC Request for one year of Population Funding

As previously circulated NTDC is requesting for 2019/20 the Population Program Funding. NTDC has now appointed a Population Attraction Coordinator (Edward Obi) who has commenced prioritising the workload. One side of Federal Politics has indicated they will support NTDC with funding. We are advocating for this to be supported on a bipartisan approach by both parties.

NTDC has requested State Government budget funding for this program. At this stage there is a sense that due to the State Budget deterioration that funding will not be forthcoming. On a positive note the State have offered to refine it's 'Make it Tasmania' website to include a Northern Tasmania section (that NTDC will provide and work with Councils to deliver). In addition, NTDC will provide copy and information to the Northern Tasmania feature (via the State) in an upcoming UK magazine (Australia and New Zealand) that migrants consider before moving to Australia. Therefore, the funding from State Government may be considered as 'in kind' at this stage.

We will need to fine-tune the Population Attraction Program dependent on the final budget (and election result), but the objectives remain the same, and we will use the Population Taskforce Strategy as the guiding document. NTDC commits to working with Council General Managers and officers to finalise our approach and budget priorities.

Population Program Funding Request (1 Year) Recommendation:

That Council confirm the Population Program Funding request as presented by NTDC previously (see appendix for specific amounts).

Thank you for your ongoing support of NTDC and working so proactively to make Northern Tasmania a more unified region that is starting to better leverage the economic opportunities.

The NTDC Team look forward to continuing this work and our close working relationship with you. Our door is always open, and we welcome an ongoing open dialogue and a transparent 'best for region' approach.

Yours faithfully



John Pitt.
Chair

Appendix

1. NTDC Funding Extension Request Detail

The funding model for the extension is based on the current formula and includes CPI. Proposed details for 2019/20 are as follows:

	Current Year 2018/19	Proposed Budget 2019/20*	Variance to FY18/19 Budget
Council Contributions:			
Break O'Day Council	24,371	24,981	610
Flinders Council	6,656	6,822	166
George Town Council	25,676	26,318	642
City of Launceston	178,273	182,730	4,457
Meander Valley Council	64,881	66,503	1,622
Northern Midlands Council	48,913	50,136	1,223
West Tamar Council	71,124	72,902	1,778
Total Council Contributions	419,895	430,392	10,498

CPI = 2.5% based on Hobart March 2019 data.

* Half of year 2019/20 is already committed through the 3 years funding agreement.

2. Projects for Noting

Description	REDP Alignment	Funding Allocation
1. Hydrogen Energy Project Manager Contribution for project management of a Hydrogen Energy scoping study (assuming some funding supported through Federal Election)	New industry sector and major export opportunity	\$50,000
2. CHIC Cluster Manager (\$20,000) and Supply Chain Mapping (\$10,000) Contribution toward a Community and Health Industry Committee (CHIC) cluster manager	Support better health provision, new jobs and import opportunities.	\$30,000
3. UNESCO Creative Cities (Gastronomy) Business Case - Contribution toward the business case to investigate the value of this project to reinforce Launceston and the North as a food system hub.	Food system approach.	\$20,000
4. Open LoRA Network for Northern Tasmania Early stage consideration to support LoRA network extension throughout the region as an open network (anyone can use it) as offered by Definium Technologies This could support council activities (lower cost or reduce risk) and encourage new innovative in industries such as agriculture etc. More detail to be developed.	Innovation and IT infrastructure	\$20,000
5. Population Attraction Coordinator Edward Obi has been appointed to develop a Welcoming Region project and other Population Strategies.	Population	\$75,000
6. Industry Sector Round Table Meetings (x10) – to confer with sectors such as construction, agriculture, food, to look at export opportunities and reduce barriers.tc	Export and investment	\$2,000

2. Population Program Detailed Request – 1 Year

Council Contributions:	Budget 2019/20
Break O'Day Council	2,900
Flinders Council	800
George Town Council	3,050
City of Launceston	21,250
Meander Valley Council	7,750
Northern Midlands Council	5,750
West Tamar Council	8,500
Sub Total	50,000
Plus:	
NTDC Reserves	25,000
Potential Federal Govt \$(TBA)	150,000
State Govt Inkind (value is approximate)	100,000
Total Program Value	\$325,000