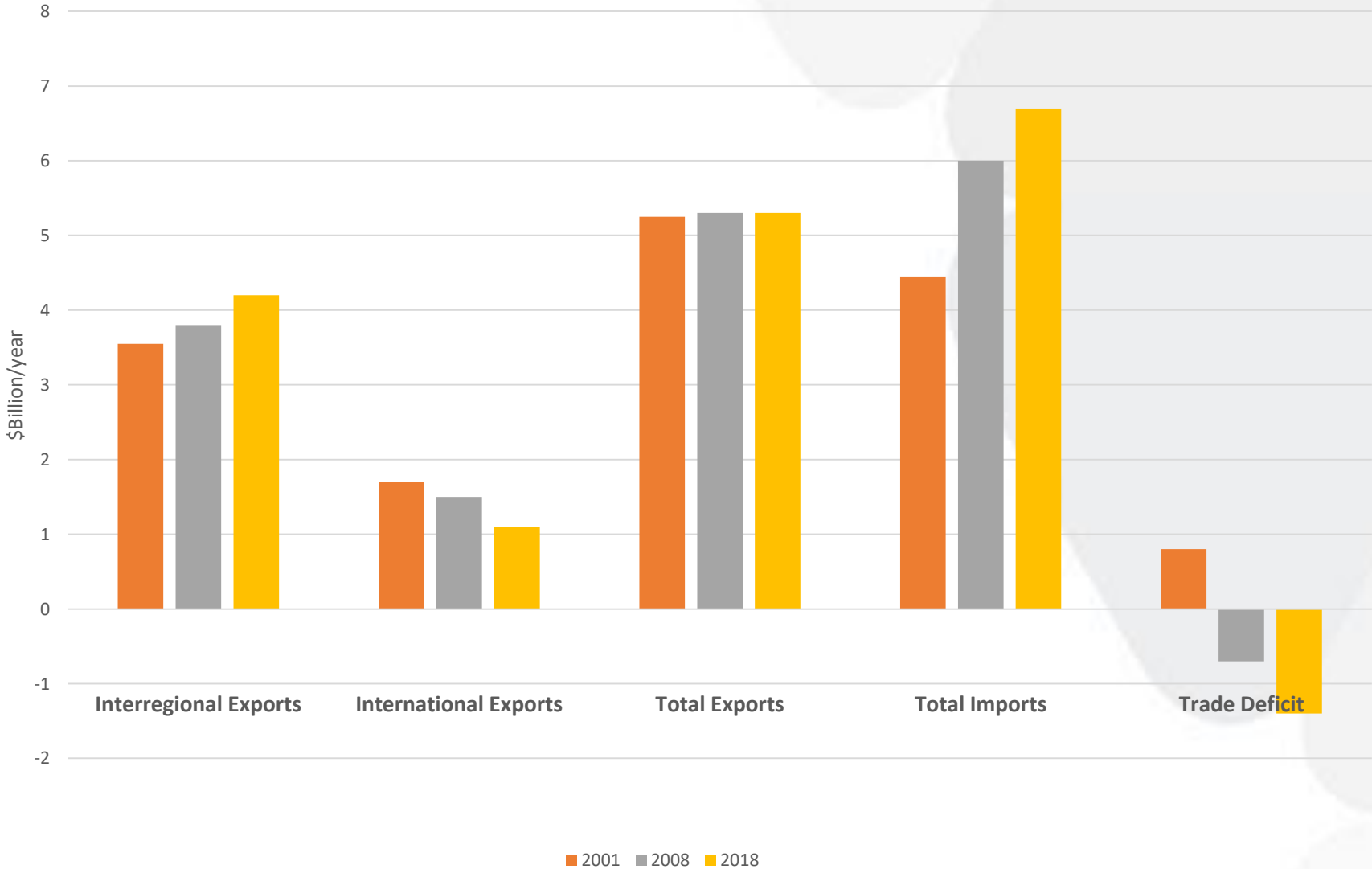


Update of the Key Directions Report and the Regional Economic Development Plan

November 2018

Northern Tasmania: Balance of Trade and Issue

Growing Trade Deficit



Over recent years the performance of the Northern Tasmanian economy has been disappointing

In the decade to 2016 the NT economy:

- +170 jobs pa;
- GRP 1% pa: and
- Income fell by \$3 per hour worked *

*2015-16 prices.

At the turn of the century the performance of the NT economy was satisfactory

In the 9 years to 2006 the NT economy:

- + 735 jobs pa;
- GRP 2.5% pa; and
- Income up by \$7.50 per hour worked*
- We can have a vibrant economy!

*2015-16 prices.

There are recent signs of a recovery in the performance of the NT economy

Over the last 18 months to two years there has been:

- + 800 jobs pa;
- GRP 2% pa; and
- Income up \$1.30 per hour worked*

BUT: NIEIR warn this is not sustainable unless we make some systemic changes to our economy!

*2015-16 prices.

Key Scenarios were Modelled

- Two Base cases were considered:
 1. NIEIR's Historical Reference
 2. Based on Tasmanian Government's Official Population Projections - this has been selected as 'Business as Usual' = 0.8% GRP
- Growth Scenarios
 1. Successful Immigration (with Jobs Scenario) = 1.7% GRP
 2. Immigration + UTAS Transformation Scenario = 1.9% GRP
 3. Immigration + UTAS Transformation + Industry Development – this is (Best Case Scenario) chosen by regional stakeholders = 3% GRP

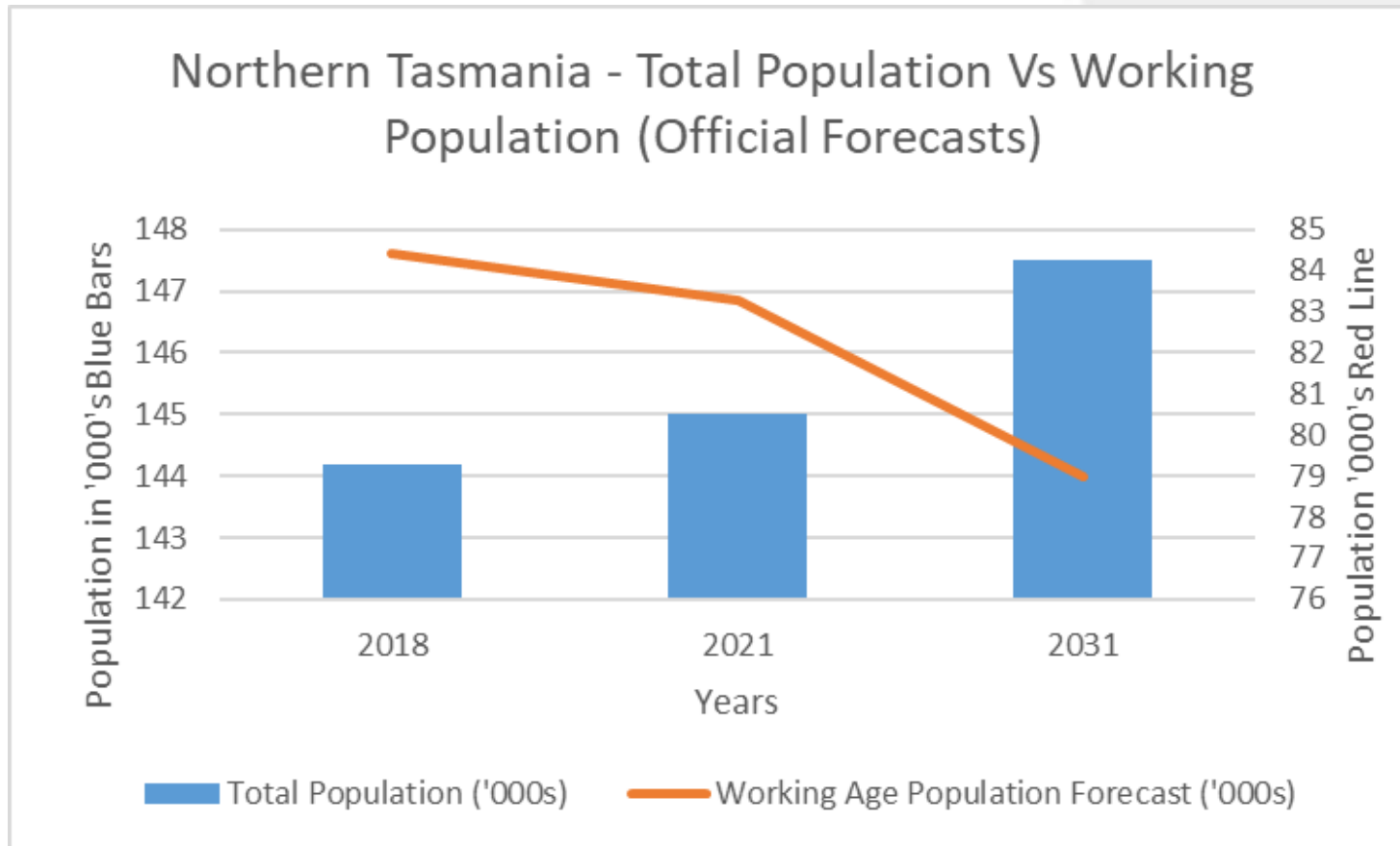
REDP Interim Actions - Three Key Challenges

1. Population

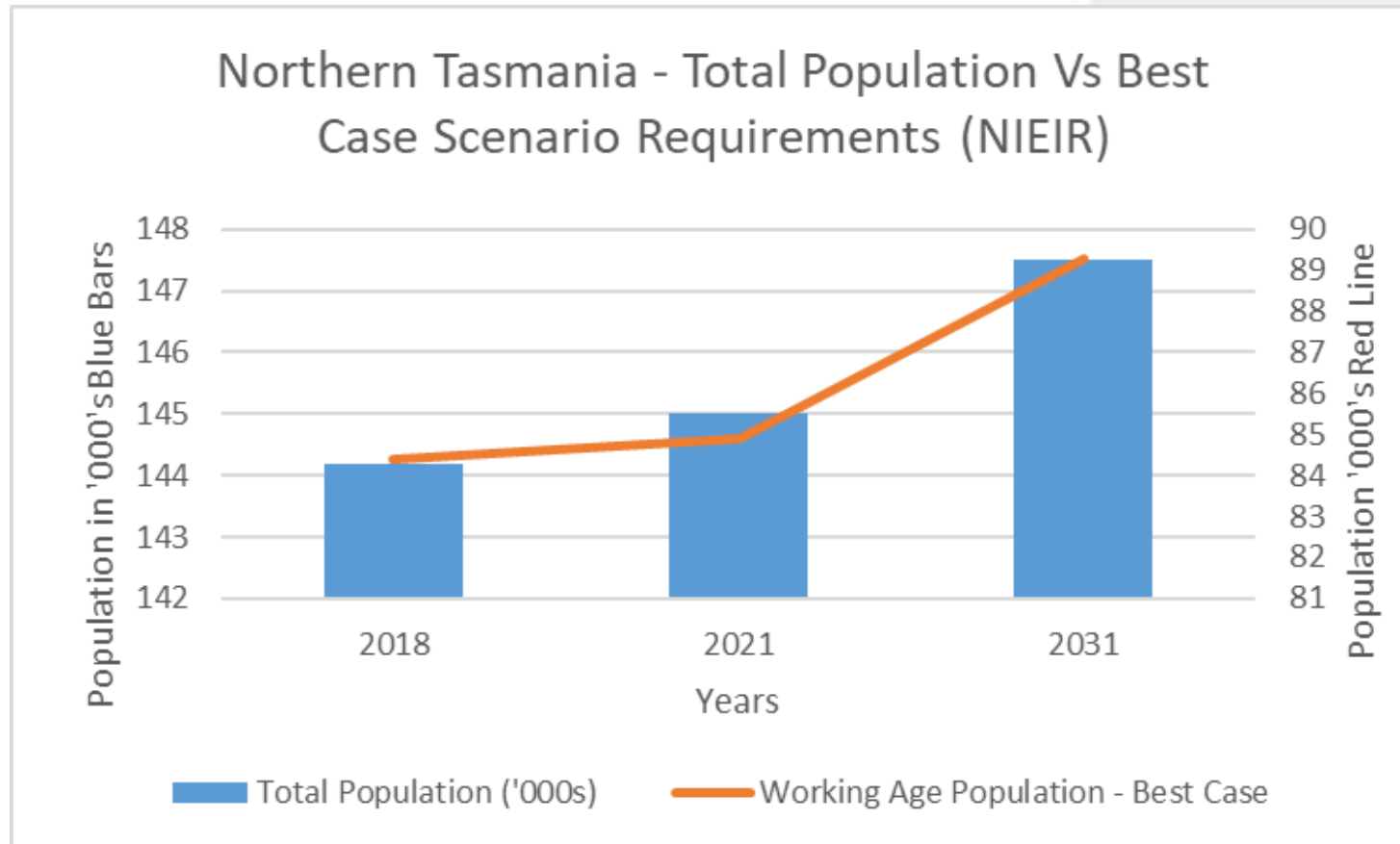
2. Investment

3. Industry Development/Exports

Working Age Population will be an Issue – if we can't secure Working Age People





Working Age Population Requirements for Best Case Scenario – Increased Worker Numbers (not less)



1. Population Growth Required ...

Best Case to 2031:

- Population from 144,200  158,700
- Working Age Population from 84,400  89,300 required
- We need an extra 10,300 working age population
(to counteract BAU case plus extra workers for growing economy)

Solution: Population Taskforce

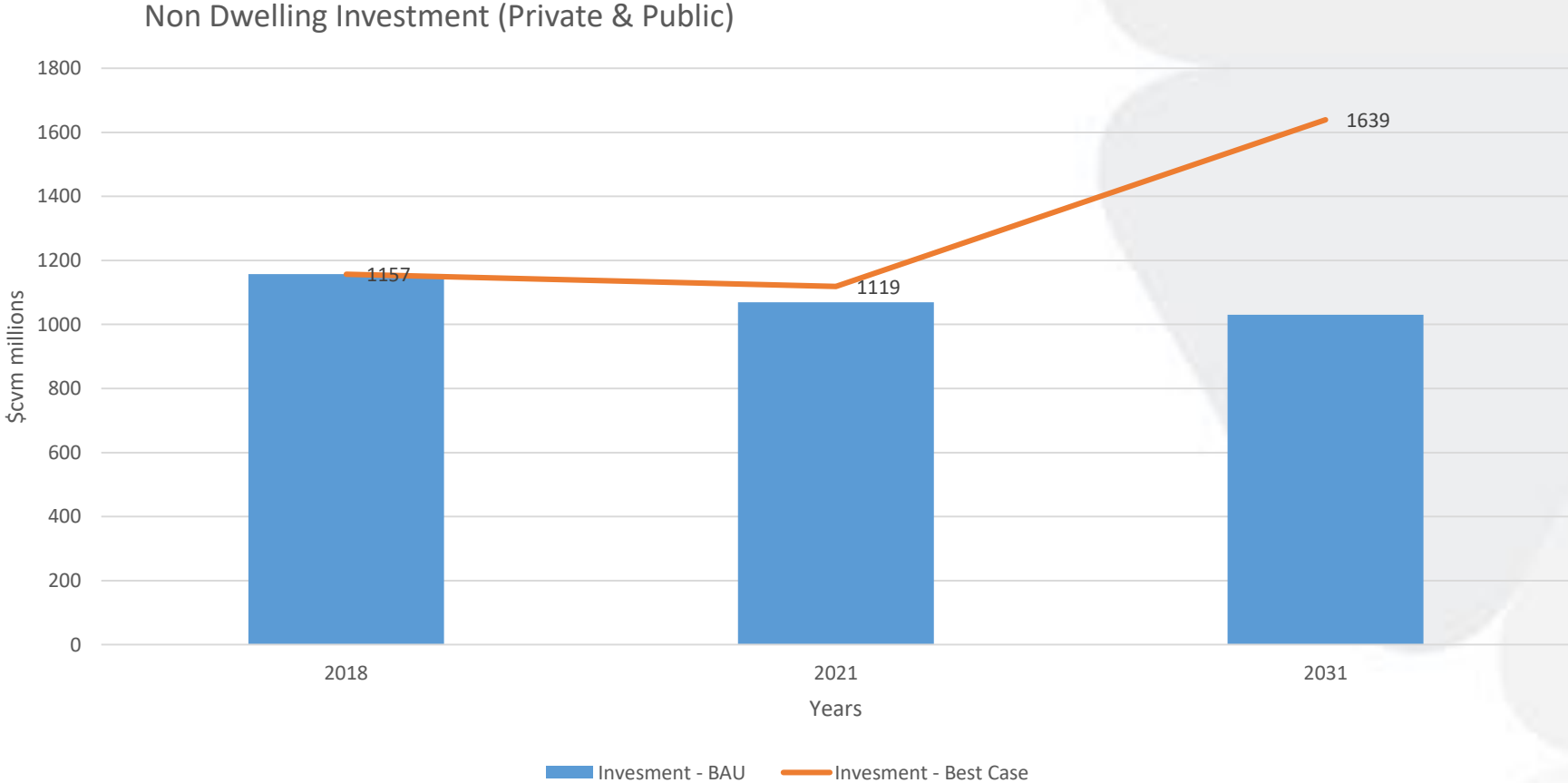
- Chaired by Michael Stretton, City of Launceston
- Includes: State Govt Population Policy Unit and Coordinator General; Launceston Chamber; RDA Tasmania; Small Council, etc
- Key Objective – to identify how to attract and retain working age people

Solution: Population Taskforce

- Type of projects identified to date:
 - Identify priority skills deficits
 - Attract and retain more international students
 - Attract and retain skilled migrants
 - Support humanitarian refugees – work and connection e.g. aged care sector
 - Attract new business people – e.g. aligned with NBN
 - Encourage more over 65's to contribute where possible

Align any promotion with State Government's campaigns

2. Investment Attraction



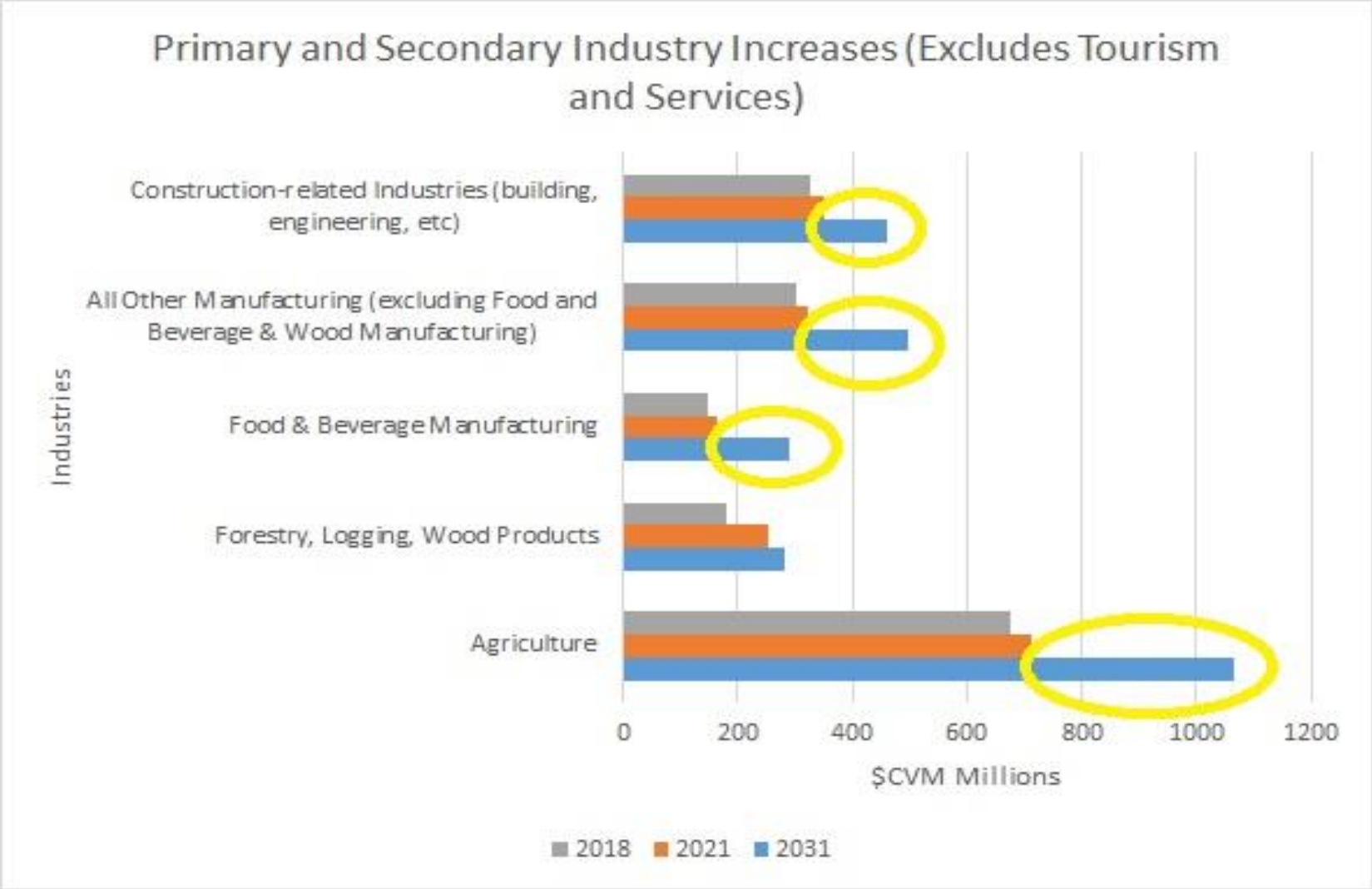
Investment Attraction – Facts from Consultation

- Traditional banks very conservative with commercial investment
- Proponents don't know investors (where \$) and v.v.
- There are many 'new alternatives' (peer to peer lending; crowd-funding, etc)
- Can refer to govt support programs
- Linking potential projects to \$ required – or recommend next steps to build case to access finance

Solution: Investment Taskforce

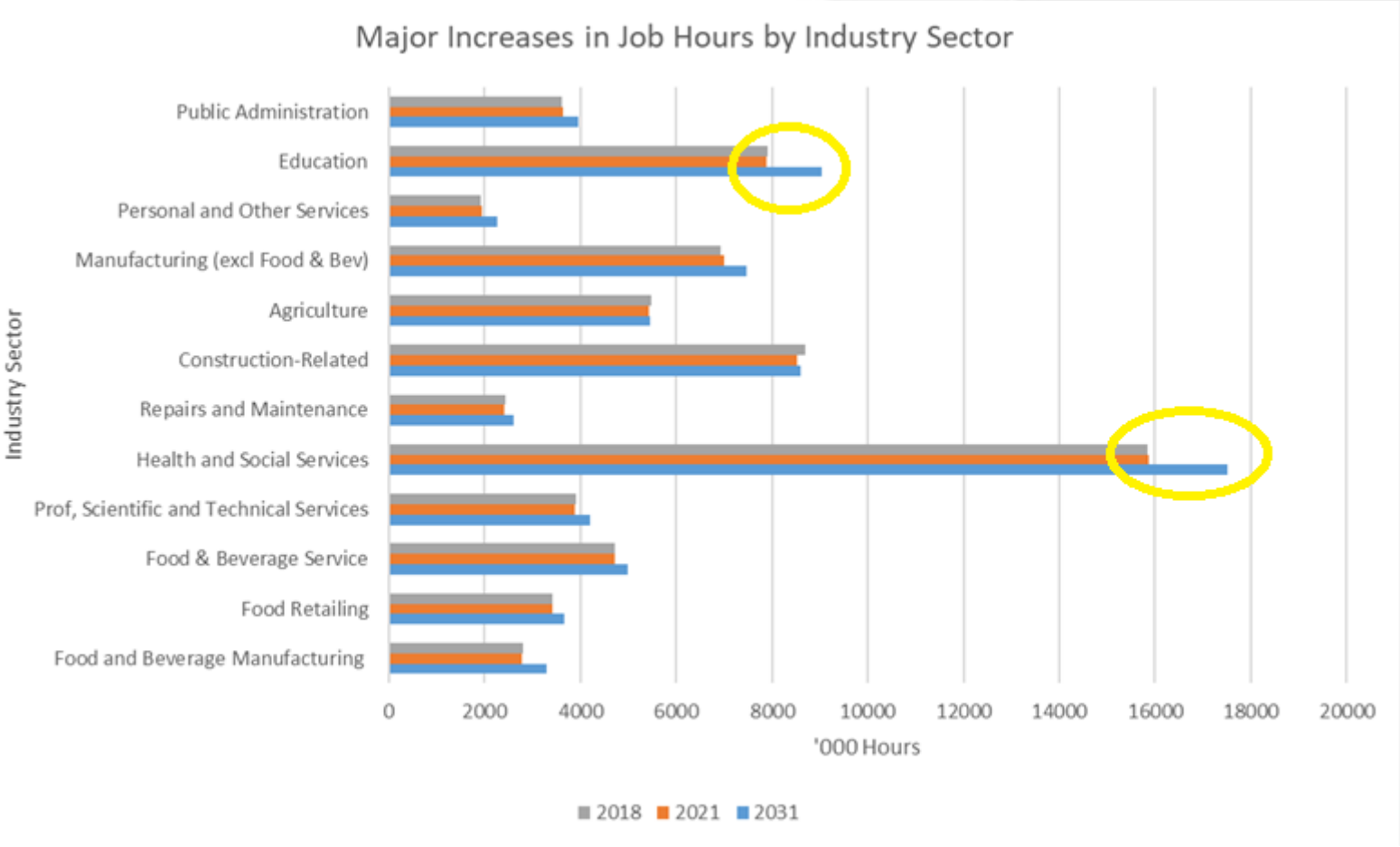
- Chaired by Greg Bott, Deputy Chair NTDC, Ag Consultant and ex-banker
- Includes Office of the Coordinator General, other bankers and a venture capitalist.
- Key Objective – to link business expansions, new projects to potential finance options

3. Industry Development – What Industries Stand Out? (Best case Scenario)

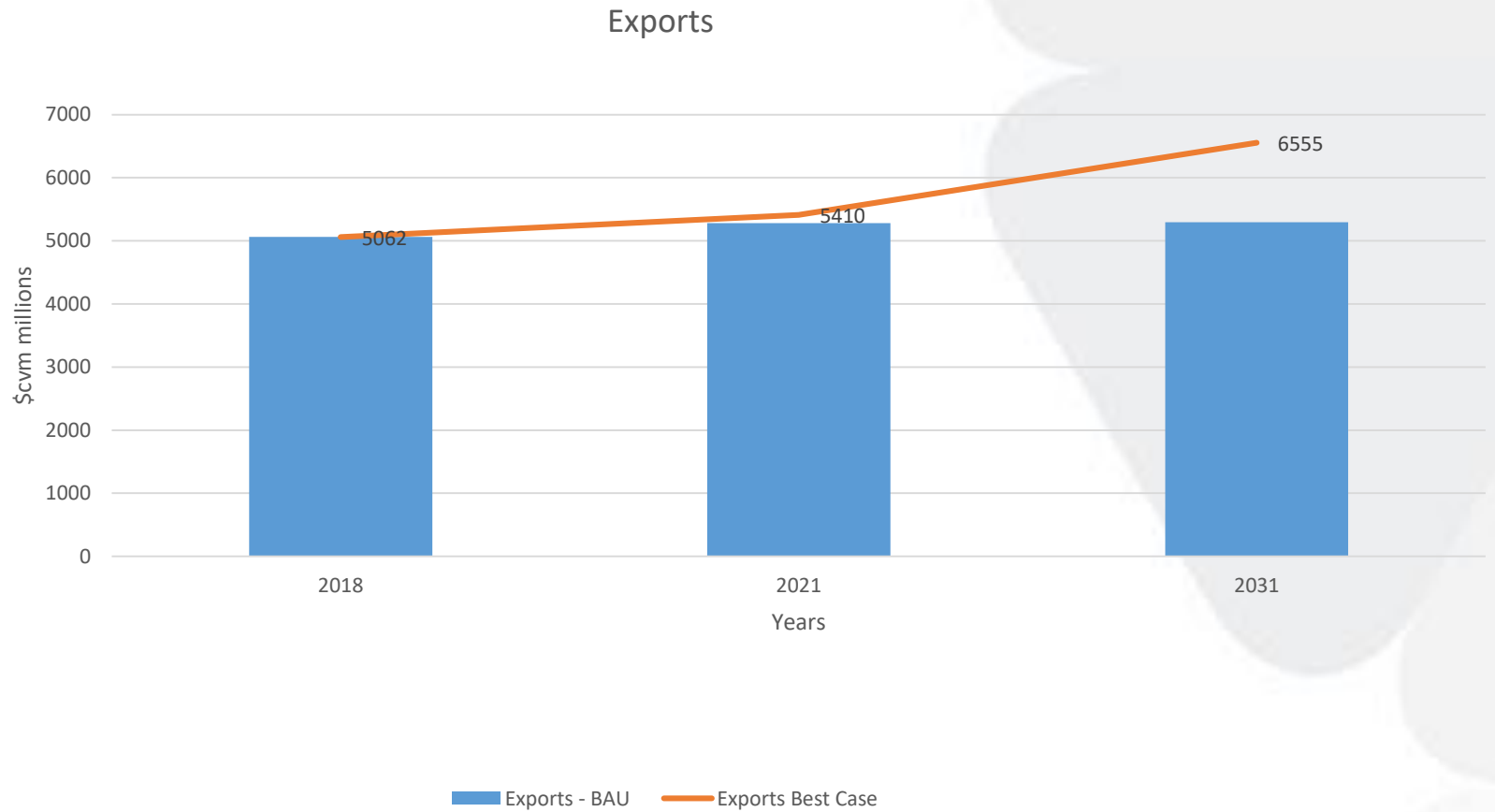


Future Job Outlook by Industry

(Best case Scenario)



Total Export Opportunity



Solution: Industry Export Support

Cluster Development Recommended as Approach

- Large no of SME's need to collaborate to be globally competitive
- Australian Government Cluster Policy evolving with \$ allocated
- FermenTasmania – already secured State and Federal Funding (NTDC providing ongoing support)
- Other Interest from: Food Network (established); Community and Health Industry Committee (CHIC); Sparkling Wine; Organic Farming, Forestry Value-Adding... and many more

Food Network Launched 1 August



Six Themes Developed in the Regional Economic Development Plan

1. Industry Development:

- a. Cluster focus – Food Systems Approach Initially
- b. Identify New Industry Sectors – technology sector; social enterprises; health supply chains; energy renewables and others.... (to be defined)

2. Investment Attraction

3. Population Growth

Update on the Regional Economic Development Plan

4. Place-making – linkages with LGAs and Regional Priority Projects

5. Innovation and Culture – linkages to City Deal Innovation ecosystem

6. Productivity– skills, learning, education and productivity focused. Engagement with Skills Tas and UTAS underway. Health/productivity- linked to CHIC in partnership with Chamber.

Proposal: Population Taskforce

- Population Coordinator (FTE) to drive Population Actions (resulting from Taskforce)
- Proposal: Make a Recommendation in the REDP for Commonwealth to match State Govt funds and LGA's

Proposal: Ag/Food Focus

- Export focused Food Systems approach to support Ag and Food enterprises; link to Govt programs and C'wealth Cluster Funds; e.g. Food Network; Sparkling wine; Other value-add agriculture
- Support State Govt submission – Food Export Hub
- Support Van Deimen Project Food Incubator