



Australian Government's Select Committee Inquiry into *Regional Development and Decentralisation*

Author:	Kevin Turner
Level of Which Submission Has Been Authorised:	Chief Executive Officer, RDA Tasmania
Contact:	Craig Perkins,
Position:	Chief Executive Officer
Return Address:	Level 1, 12-16 St John Street, Launceston TAS 7250
Phone Number:	03 6334 9822
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Executive Summary

Regional Development Australia (RDA) Tasmania's recommendations to this inquiry can be summarised in a few key points:

- **We encourage the Australian Government to make use of the RDA network, to support it through its policies and programs and to encourage and celebrate best practice regional development.**
- **We encourage the Australian Government to use decentralisation to Tasmania as an opportunity to build excellence into entities and operations where there are operational and strategic benefits gained from being located here**

Table 1: Recommendations

Regional development is not easy but it can be achieved, particularly when the Australian Government works in unison with the Tasmanian Government and Local Government. The RDA Tasmania Committee exists to facilitate the achievement of regional development and has a record of collaborating with stakeholders to deliver activities that grow the economy and support viable communities. Examples provided in this submission include the Devonport Living City and the Launceston City Deal.

We encourage the Australian Government to make use of the RDA network, to support it through its policies and programs and to encourage and celebrate best practice regional development.

Decentralisation is an opportunity to build excellence into entities and operations. Tasmania has demonstrated that organisations can achieve research or innovations breakthroughs when they are located in a region that gives them a place-based advantage.

We encourage the Australian Government and the Private sector to consider the comparative advantages Tasmania offers and the operational and strategic benefits gained from being located here.

Regional Development Australia – Tasmania

Regional Development Australia (RDA), an Australian Government initiative, is a national network of Committees made up of local leaders who work with all levels of government, business and community groups to support the economic development of their regions.

RDA Committees have an active and facilitative role in their communities and a clear focus on growing strong and confident regional economies that harness their competitive advantages, and seize on economic opportunity and attract investment.

RDA Tasmania facilitates policies, programs and projects designed to strengthen human capital, productivity, infrastructure, access to markets, regional comparative advantage and business competitiveness; leading to increased economic activity and the creation of new jobs, along with improved standards of living and working conditions.

RDA Tasmania:

- Undertakes regional planning that takes into account the unique characteristics, opportunities and challenges of a region, and aligns with the plans of all levels of government, and tailors responses accordingly.
- Engages with stakeholders to identify initiatives that will deliver economic outcomes that grow and strengthen their communities.
- Builds partnerships, harnesses local leadership, marshals support, and encourages cooperation between stakeholders to drive regional priorities.

RDA Tasmania is able to work with all levels of government, industry and community to pursue challenges and opportunities relevant to our region. RDA Tasmania produces an annual Regional Plan that outlines RDA Tasmania's vision for the region and identified priorities. Priorities are informed through statistical data in the regional profile, Australian and state government policy imperatives and stakeholder consultation.

RDA Tasmania Priorities 2017

- **Expand and grow economic activity in Tasmania**
- **Increase collaboration and efficiencies between federal, state and local government; and between government and the private sector**
- **Improve educational attainment and employability skills**
- **Address the needs of Tasmania's changing demographic profile**

Table 2: RDA Tasmania Priorities 2017

Comments to address the Terms of Reference

RDA Tasmania considered the terms of reference for the inquiry and is able to provide the following information and where appropriate an example from RDA Tasmania's activities:

1) Best practice approaches to regional development, considering Australian and international examples, that support:

i. Growing and sustaining the rural and regional population base;

RDA Tasmania works with its regional stakeholders to build sustainable communities based on comparative advantages.

The following case study is a local example for growing and sustaining the rural and regional population base:

Case study - Devonport Living City

The Devonport Living City project is a 10 year urban rejuvenation project in north-west Tasmania. RDA Tasmania was approached by the Devonport City Council at inception for advice to help shape the project for development including:

- Strategic long term planning
- Stakeholder engagement including industry, government and community
- Business Planning
- Community Consultation

As a member of the Living City steering committee, RDA Tasmania's input and advice was crucial in developing a robust business case that could be supported by government, industry and community.

The various tasks RDA Tasmania helped undertake included:

- Preparing a draft business plan for internal use and key stakeholder input
- Working with external consultants to prepare an economic analysis of the project
- Undertaking public workshops with stakeholders to communicate key elements of the project, gathering support and feedback
- Assisting in regular steering committee meetings to refine the business plan in line with analysis and feedback
- Providing advice on funding applications including the National Stronger Regions Fund
- Updating the external consultancy with available economic data and regional understandings

The Devonport City Council recognised the input and support of RDA Tasmania (by letter) when the Living City Project received \$10m of Australian Government funding under round 1 of the National Stronger Regions Fund program announced in early 2015.

ii. The benefits of economic growth and opportunity being shared right across Australia;

RDA Tasmania regularly provides input to government inquiries and reviews in the belief that the knowledge gained in Tasmania could help inform national policies. In recent years we have met with Senate Committees and the Productivity Commission on matters such as the role of regional capitals and regions going through economic transitions.

iii. Developing the capabilities of regional Australians;

It is a priority of RDA Tasmania to improve educational attainment and employability skills. Educational attainment is positively linked to higher levels of employment, increased labour force participation, higher wages and higher levels of productivity. Tasmania is not positioned to compete internationally on commodity prices, low staff costs or by offering an unregulated business environment. Instead it needs a capable workforce that combines technical and business management disciplines to compete on quality and innovation.

iv. Growing and diversifying of the regional economic and employment base;

RDA Tasmania gives priority to initiatives that support wealth creation and the region's growth industries. Economic opportunities exist in Tasmania by building on the strength and reputation of research and innovation, leveraging on enabling infrastructure like irrigation and the NBN, and promoting industries with premium offerings that are distinctly Tasmanian and build on our comparative advantages.

RDA Tasmania facilitates growth by:

- Assisting stakeholders to develop project proposals;
- Referring stakeholders to appropriate public and/or private funding sources, including Australian Government programs;
- Consulting and engaging with stakeholders to identify priority activities that will drive regional economic development and create future economic opportunities.

The following case study is a best practice example of growing and diversifying the regional economic and employment base:

Case study - Macquarie House Innovation Hub

Macquarie House Innovation Hub will be a new co-working space, designed and managed to foster entrepreneurialism in the technology, digital and creative industries. RDA Tasmania engaged local stakeholders in 2014 to identify emerging sectors of the economy and the start-up sector was highlighted. Macquarie House Innovation Hub came forward as a concept that would grow and diversify the economic and employment base. RDA Tasmania worked with the proponents as a sub-committee of the RDA Tasmania Committee, helping them to engage support from the City of Launceston council and the Tasmanian Government and to successfully receive \$3 million funding for the project through the Tasmanian Jobs and Growth Plan. The Macquarie House Innovation Hub will open in 2018 under a Tasmanian Government initiative called Enterprize, in collaboration with the City of Launceston council, the University of Tasmania and Startup Tasmania.

v. An improved quality of life for regional Australians;

Tasmania is not without its opportunities however there is a pressing need to improve quality of life. Tasmanians are poorer, on average, than other Australians. They earn less from working than other Australians; although more of them own their own homes, those homes are on average worth less than homes in other parts of Australia; and Tasmanians have fewer other assets (investment properties, superannuation savings, shares and the like) than other Australians. Tasmanians are more likely to be reliant on social security payments than other Australians.

The regional development approach to this challenge is multi-disciplinary, it is asset based and it uses evidence-based decision making to target and prioritise investment.

vi. Vibrant, more cohesive and engaged regional communities;

The following case study is a local example of supporting vibrant, more cohesive and engaged regional communities:

Case study – Launceston City Deal

The Launceston City Deal is essentially the largest regional development exercise to occur in Tasmania in recent times. It has been an opportunity for RDA Tasmania to apply its expertise in regional development by supporting City Deal stakeholders to explore the City Deal model and then seize this chance to work collaboratively to overcome problems that have persisted for decades.

Evidence of the effectiveness of the priority activity to participate in the City Deal comes from RDA Tasmania's chairperson Tom Black being a co-signatory to the Deal, mentions of RDA Tasmania throughout the City Deal and positive feedback from the Cities Division, Department of Prime Minister and Cabinet.

The Launceston City Deal will contribute to the achievement of outcomes across the six domains of:

- Governance, city planning and regulation
- Infrastructure and investment
- Jobs and skills
- Innovation and digital opportunities
- Liveability and sustainability
- Housing

From RDA Tasmania's perspective an important outcome has been strengthening support for activities that we lead or support. Elements of our 2016/17 business plan and activities from previous business plan have been incorporated into the Launceston City Deal. This vindicates our selection of priority activities, supports our role as the local expert on regional development and improves the efficacy of our business plan activities.

vii. Leveraging long-term private investment;

The following case study is a local example of leveraging long-term private investment:

Case Study - Bell Bay Manufacturing Industry Precinct

Since 2012, RDA Tasmania has been working with a broad partnership made up of community, industry and government stakeholders to understand and pursue opportunities to diversify and develop the economy of the Bell Bay industrial precinct. Bell Bay houses Tasmania's largest heavy industrial estate and is collectively responsible for 59 per cent of all Tasmania's manufactured exports.

Outputs from this work include:

- Coordinating a knowledge tour of manufacturing precincts in Melbourne
- Production of a developer's guide and interactive map of the Bell Bay industrial precinct
- Hosting a new position funded by industry, George Town Council and the Tasmanian Government. Starting in September 2017, the Bell Bay Manufacturing Precinct Project Officer will work for RDA Tasmania to execute a work program set by the Bell Bay Manufacturing Precinct Sub-committee.

viii. A place-based approach that considers local circumstances, competitive advantages and involves collective governance;

The following case studies are local examples of supporting a place-based approach that considers local circumstances, competitive advantages and involves collective governance:

Case study - South East Regional Development Association

RDA Tasmania was integral in developing an Economic Infrastructure Plan for South East Tasmania. It was identified by RDA Tasmania and the South East Regional Development Association (SERDA) made up of Clarence City, Sorell, Tasman and Glamorgan Spring Bay Councils, that a large number of developments had been approved in South East Tasmania but this growth lacked strategic oversight regarding the impact on common infrastructure such as energy, roads and services. RDA Tasmania drove the development of the project scope and set timelines for funding expenditure.

The SERDA report has resulted in a greater shared understanding of regional priorities, demographics, growth and opportunities. Priorities identified are being used to guide investment, focus resources and input into government policy. The *SERDA South East Economic Infrastructure Plan* was endorsed by State Cabinet in October 2015.

As a direct result of the SERDA South East Economic Infrastructure Plan:

- The Hobart airport roundabout overpass is now a Tasmanian Government priority.
- Sorell and Brighton councils have now been included in the Department of State Growth's metropolitan transport reference group.
- SERDA is working with Skills Tasmania to develop a skills demand study for South East Tasmania.
- East Coast Tourism is developing a public infrastructure investment strategy

Case study - Northern Tasmanian Development Corporation

In January 2017, northern Tasmania's regional economic development body underwent a historic transformation from a local government body to one with a professional board made from industry representatives. This reflects the outcomes of two years of RDA Tasmania's work to install economic development focussed organisations in Tasmania's sub-regions. The new Northern Tasmanian Development Corporation will mobilise industry, government, research and education towards collaborating for economic growth, and is partially modelled on similar examples like G21.

Case study - Cradle Coast Authority

The Cradle Coast Authority is the regional authority responsible for supporting the nine regional councils in the North West of Tasmania. The Regional Futures Plan, supported by RDA Tasmania, will help develop a roadmap for the next 5-10 years for the North West region in areas such as economic regional development, infrastructure development, skills and training and liveability. Tailored strategic planning in consultation with industry sectors, government and community will identify and support the development of achievable goals and projects within this plan where specific needs have been identified.

Recommendation

We encourage the Australian Government to make use of the RDA network, to support it through its policies and programs and to encourage and celebrate best practice regional development.

2) Decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas, considering Australian and international examples:

Our submission relates to the location of Commonwealth entities in regional Australia generally, and their capacity to delivery service to and for the Commonwealth beyond the jurisdiction where they are located.

There are many examples where Commonwealth entities currently exist in regional Australia. From a Tasmanian perspective, this includes, but is not limited to functions such as Centrelink call centres, The Commonwealth Defence Materials Organisation, the Australian Government's Major Projects Approval Agency, and the Department of Infrastructure and Regional Development all currently have responsibilities that extend beyond Tasmanian stakeholders.

Investment in and establishment of appropriate information technology and communication systems are critical. This includes location of servers (as opposed to remote connection) and video conference facilities. However, supported by the National Broadband Network and ever improving technology this should no longer be an impediment.

Pure policy areas for highly sensitive or highly secure activities which require close proximity to other government officers or agencies would best be kept in Canberra. However, more operational, policy arrangements and service delivery functions have clearly demonstrated that geographical relocation is possible.

Benefits to relocating to rural areas include lower cost of living and cheaper office rentals. Regional areas such as Launceston or Hobart maintain good air links to mainland capitals, including Canberra. There is also growing anecdotal evidence of an ever increasing pool of qualified people that have moved from the high density and expensive capital cities, or have shown a want to move if opportunities arise. Regional cities are increasingly recognised for their liveability and capacity to support cultural and recreational pursuits that previously were limited to the larger capitals. Regional Cities have lower staff turnover that results in more continuity, retention of corporate knowledge and lower costs. In addition, a wider spread of human resources beyond Canberra can create a shared understanding of the diversity of people, place and issues across Australia and more decentralised intelligence to increase policy and program delivery and effectiveness on the ground.

It is our view, that from a Tasmanian perspective, opportunities for relocation for activities that support the agricultural sector, maritime (civil, defence and Antarctic), health (food and nutrition) could successfully be relocated to Tasmania.

Recommendation

We encourage the Australian Government to use decentralisation to Tasmania as an opportunity to build excellence into entities and operations where there are operational and strategic benefits gained from being located here

Conclusion

RDA Tasmania commends the Australian Government for furthering its understanding of regional development and decentralisation.

Regional Development Australia has operated for several years and from a Tasmanian perspective has helped deliver examples of best practice regional development through its support of the RDA Tasmania Committee. Through this submission we have tried to demonstrate that RDA Committees are already a good model for delivering regional development and through further Australian Government support and the RDA reform will continue to improve.