

Senate Standing Committee on Rural and Regional Affairs and Transport inquiry in to:

The future role and contribution of regional capitals to Australia

Northern Tasmania Development's Response

Answers to terms of reference:

- A. An assessment of current demographic trends and the changing role of regional capitals
- C. An analysis of the benefit of additional funding regional capitals could receive based on population, demand for services and their strategic importance for the region, state or country
- D. Investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources
- E. Incentives and policy measures that would support sustainable growth in regional capitals
- G. Any other related matters.

Launceston: The regional capital of Northern Tasmania

LAUNCESTON AND ITS CURRENT ROLE/ CONTRIBUTION TO AUSTRALIA

Launceston, the capital of Northern Tasmania and second largest city in Tasmania, has an excellent overall range of major support facilities and services in education, health, sport, recreation and culture. Beyond the five mainland capital cities, only a handful of regions can present such an asset profile – and of these regions in national competition with Northern Tasmania, only Newcastle and Geelong are better and more conveniently connected to a large metropolitan centre.¹

Launceston will increasingly be 'the' service centre for the Northern Tasmania catchment area and beyond (particularly in terms of education, health and financial and business services). This role highlights an interdependence; the catchment area's reliance on Launceston in providing these higher tier services, balanced with the city's reliance on the catchment area to utilise services and maintain demand.

¹ Hobart, Newcastle, Geelong, Darwin, Rockhampton, Cairns and Townsville.

Local government plays a crucial role in shaping the future of the area. Launceston City and its broader greater urban area (Greater Launceston) encompasses five municipal areas; the City of Launceston, George Town, Meander Valley, Northern Midlands and West Tamar. Clearly there are challenges in planning for the future prosperity of a city across five municipalities when the borders of cities and regions are set by households and businesses, rather than municipal areas. In 2014 these Councils participated in a major strategic project, the Greater Launceston Plan, aimed to better coordinate the long term planning and management of the City and broader greater urban area.

NORTHERN TASMANIA AND ITS CURRENT ROLE/ CONTRIBUTION TO AUSTRALIA

Launceston's future role, prosperity and contribution to Australia is influenced by its regional hinterland. Looking to the future, the city-region interrelationship is set to remain very important. This connection is not going to diminish anytime soon. In Northern Tasmania, regional growth is uneven; the greater Launceston area has 2/3 employment but not 2/3 of the region's growth.

Northern Tasmania's regional economy is experiencing a shift similar to other regions, with greater emphasis on tertiary, service sector and SMEs for employment. Employment by industry demonstrates the biggest growth has been in the public service, temporary growth in retail and building. While this is not problematic in itself, this employment is not necessarily growing trade opportunity.

From a regional development perspective, much planning and strategising occurs in Northern Tasmania, but does not always result in the region working and speaking collaboratively on future shaping activities. A variety of government, non-profits and peak bodies operate in Northern Tasmania.



To address this, Northern Tasmania Development (NTD) is spearheading a collaborative initiative called the Regional Futures Plan to establish an alliance of organisations with a shared strategic direction for Northern Tasmania. It will address the challenges focusing on economic development as the fundamental driver of prosperity, as well as a need for change in the way we make things happen.

The Northern Tasmanian region is made up of eight councils; Break O' Day, Dorset, Flinders, George Town, City of Launceston, Meander Valley, Northern Midlands and West Tamar. Northern Tasmania Development (NTD) advances the interests and development of Northern Tasmania by facilitating and coordinating worthy economic and community initiatives, in conjunction with the eight northern Councils. Together with this, NTD offers intelligence on developments within the northern region, and acts as a springboard to further information for business opportunities.

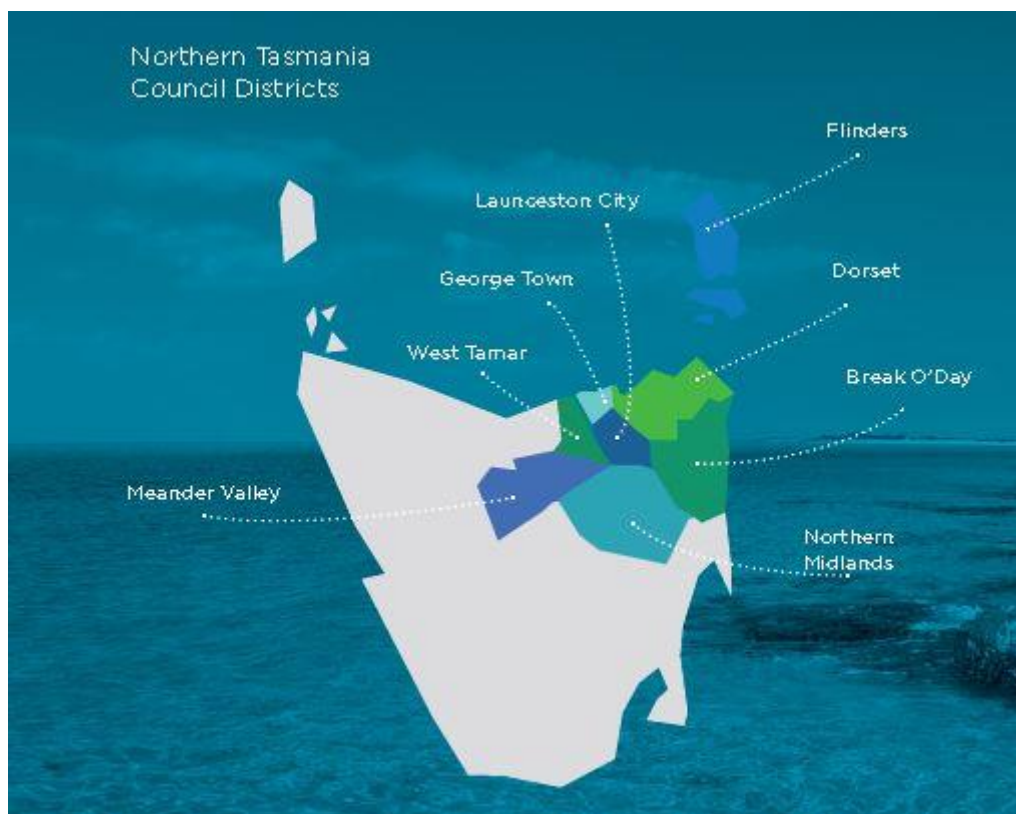


Figure 1: Map of Northern Tasmanian Councils

A. An assessment of current demographic trends and the changing role of regional capitals

Demographic Trends

The City of Launceston Council has a population of 65,000. However, the greater urban area of the city's spread out over the neighbouring Councils of West Tamar, Meander Valley, Northern Midlands and George Town. This makes the Greater Launceston population 107,000. The overall Northern Tasmanian population sits at 144,000². The city's population spread over multiple municipalities introduces complexities for councils to deliver services equally to all residents of Launceston.

Population growth in both Launceston and the region as a whole has been slowing since 2008, with the 2014 population rate growth at around 0.1%³. Both Launceston and the region are currently experiencing two demographic phenomenon which have the capacity to significantly alter the demographic makeup into the future:

- 1) There is a large proportion of young people leaving the region to pursue better education and employment opportunities outside of Northern Tasmania.

² Latest Remplan data using, Australian Bureau of Statistics 2011 Census of Population and Housing

³ Latest Remplan data using, Australian Bureau of Statistics, Regional Population Growth, Cat. 3218.0 (2013-14 data was released on 31 March 2015)

- 2) There is a population influx of older people to the region to enjoy their retirement years in an area of high liveability and amenity⁴.

These trends present both opportunities and challenges that the region needs to address. On the one hand there is increasing opportunities for economic growth around aged services. However, with working aged people leaving there is the possibility of a lack of workers in the future to fill positions created by aged care services.

Changing Role of Regional Capitals

It is important that Launceston, as the regional capital has plans for the future to address the complexities that changing demographics will cause. Furthermore, regional capitals need to make plans to address changing transport needs, freight movements, water and NRM needs and community satisfaction. In 2014 Launceston released its Greater Launceston Plan (GLP) which sets out a strategic direction for the next 20 years and beyond.

The GLP was developed after significant public consultation and had a project management group that not only consisted of City of Launceston representatives but also other important institutional representatives from; Meander Valley Council, Northern Midlands Council, West Tamar Council, RDA Tasmanian, Northern Tasmania Development (NTD), NRM North, University of Tasmania, Tasmanian Government Departments, Hydro Tasmania, Ben Lomond Water, Social Inclusion Commission, Cityprom, Launceston Chamber of Commerce and the Tasmanian Planning Commission.

The GLP planning phase demonstrated what regional leaders can achieve when working collaboratively and has worked as a catalyst for greater regional cooperation towards a unified vision. The next step for Northern Tasmanian leadership organisations will be to develop a governance framework that receives strong buy in from regional leadership organisations through the planning phase, and most importantly, through the implementation phase.

C. An analysis of the benefit of additional funding regional capitals could receive based on population, demand for services and their strategic importance for the region, state, or country

Regional Futures Plan

The Regional Futures Plan (RFP) is in response to a recognised need for a regional governance strategy. With the preliminary support of the eight regional councils NTD has been tasked to develop the RFP. The aim of the RFP is to establish an alliance of organisations in setting a shared strategic direction for Northern Tasmania. The RFP will address regional challenges focusing on economic development as the fundamental driver of prosperity. Over 200 strategies have been recently published for Northern Tasmania, in whole or in part. The idea of the RFP is not to develop

⁴ RDA Tasmania, Regional Plan 2013-2014

a completely new strategic direction, but to draw on what is already in place to enhance and enable growth where possible through ‘smart specialisation’.

Since 2014 NTD has spoken with hundreds of industry, community and government representatives. The resounding sentiment has been that the Northern Tasmanian region is underperforming and that there is a real opportunity to embark on a collaborative framework that will set the direction towards greater regional prosperity. Within this framework there will be a focus on utilising the expertise of the private sector in the region develop and promote initiatives and projects that will drive economic growth.

In April 2015 NTD released the Regional Futures Plan – Directions Paper for comment. The Directions Paper sets a suggested framework to grow the region. This framework is based around a matrix system that has three Pillar industries which are supported by four core foundation sectors.



Figure 2: Regional Futures Plan Matrix. Horizontal axis sets out the proposed Pillar Industries and vertical axis depict proposed Foundation Sectors.

The three Pillars; Food and Agribusiness, Advanced Manufacturing and Tourism have been selected because of the current disproportionately high level of economic output they provide to the Northern Tasmanian economy. They are also sectors where there is significant opportunity for long term growth into the future. Furthermore, all three industries have been identified by both the Tasmanian and Australian government as growth industries into the future.



- This sector can be broadly categorised into 5 major areas; traditional mixed farming (including broad acre cropping, wool, forestry and livestock production), dairy, viticulture, aquaculture and niche/high value products
- Northern Tasmania produces the majority of Tasmanian wine
- The region's forestry resources are of national significance
- Investment in irrigation capacity expansion is driving growth right across the agriculture sector, especially dairy and cropping.



- Manufacturing is a major employer in both Launceston and Northern Tasmania
- Manufactured goods make up 53% of the region's exports and is responsible for 26% of the region's economic output.⁵



- Currently generates \$349m in direct visitor expenditure into Northern Tasmania, with a strategic plan in place to grow this to \$496 million by 2021⁶
- Pristine locations and eco-tourism attractions offers a unique experience, which is gaining increasing popularity.

The four foundations that will drive growth in the three pillar industries are; human capital, regional dynamics, natural resource management and infrastructure (freight and logistics, and built capital). Priority projects will be assessed against this framework on how they will build on a core foundation/s to improve the output of one or more pillar industries. It is proposed that there will be a focus on projects that can have benefits for multiple pillar industries, i.e. to form specialisations between these economic pillars.

Feedback on the Directions Paper will close 22 May 2015. From feedback received NTD will finalise pillar industries and foundations and put forward proposed governance structure and priority project assessment rubric.

Such initiatives have been actively promoted by all three tiers of government around Australia and have seen many regions in the country lift the prosperity of the region. Success for such initiatives has often been driven by the regional leaders including city/metropolitan councils playing an inclusive leadership role through forming governance alliances and maintaining and growing them. Regional governance alliances are becoming of increasing strategic importance for regions, states

Latest REMPLAN data incorporating Australian Bureau of Statistics (ABS) June 2014 Gross State Product, 2009/2010 National Input Output Tables and 2011 Census Place of Work Employment Data.

⁶ Tourism Northern Tasmania, Northern Tasmania's Destination Management Plan 2012 - 2017

and the country as a whole. They promote opportunities for regional resource sharing and collaboratively agenda setting and implementation of regional ‘place-based’ priorities. Furthermore, for both state and federal governments, working with a regional consortia has been highlighted as preferable, rather than individual organisations.

The need for collaboration between regional cities and their regions is clear and additional funding to regions would be well delivered to support such strategic alliances.

D. Investment challenges and opportunities to maintain or grow regional capitals, including infrastructure, community and human services, communications and natural resources

Infrastructure

Launceston and Northern Tasmania recently received funding opportunities to significantly enhance infrastructure within the region. Possibly the most significant investment is the recently announced Federal Government’s \$60 million investment in extending the Tasmanian Irrigation Scheme across Tasmania. This includes infrastructure being built near Evandale and Scottsdale in Northern Tasmania. The irrigation scheme provides fundamental enabling infrastructure in supporting growth, development and diversifying the agricultural sector.

NTD recognises the importance of infrastructure investment as a key government policy enabling lever. The challenge regional leaders’ face is coming to a collective agreement as to what infrastructure investment will best benefit the entire region. The following is one such project that the Northern Tasmanian region is currently collectively promoting:



Launceston Gateway Project

The Launceston Gateway Precinct is a planned integrated consolidation of the Launceston Airport and the adjacently located Translink industrial precinct, aimed at further developing the key logistics precinct in Tasmania and the major gateway for passengers and freight. Launceston Airport and the Translink industrial precinct are ideally positioned at the intersection of the rail network, state highway network and the airport. The integrated master plan for the Launceston Airport and Translink industrial precinct includes:

- A long term plan to meet the optimal future requirements of the Launceston Airport
- A coordinated plan for the sustainable consolidation of the Translink industrial precinct as Tasmania’s pre-eminent logistics precinct
- Coordinated access planning to link air and rail access to the national highway network
- A rail model interchange project at the of the western and main lines
- Plans for phased upgrading of key freight transport roads in the area.

Natural Resources

Launceston, through Northern Tasmania, has a plethora of natural resources that can be utilised to drive growth through agriculture and tourism. Furthermore the natural assets play a distinct role in Launceston being named the Most Family Friendly City in 2013⁷. The greatest challenge around the region's natural resources continues to be community division on how they should be utilised. This has even been the case with the State Government's recent unveiling of a number of eco-tourism based ventures to be located in reserves, national parks and the Tasmanian Wilderness World Heritage Area. Even though all proposed projects are designed to have minimal impact on surrounding environment and will all play a significant role in further enhancing wilderness and eco based tourism in both Northern Tasmania and the rest of the state.

E. Incentives and policy measures that would support sustainable growth in regional capitals

NTD holds the view that incentives and policy measures to support sustainable growth in regional cities should be based on the presumption that a regional city is part of the greater regional system it is located in and not a separate entity. Incentives and policies should also be developed and delivered with the philosophy of giving a region a 'hand up' that promotes regions utilising their 'place-based' comparative advantages and turning them into competitive advantages.

Incentives and policies around regional development should be aimed to promote collaborative partnerships between regional councils and leadership organisations. Furthermore, where possible the greater collaboration between public and private sector that can be influenced by policy to promote 'smart specialisation' the better. The private sector is the engine room of regional economic prosperity and should be at the centre of regional development policy.

G. Any other related Matters

In March 2015 the report for a major research project that was undertaken collaboratively between the Regional Capitals Australia (RCA) group and the Australian Centre of Excellence for Local Government (ACELG) in 2014 was released. The report was named; *Local Government Growing Regional Australia*. The study focused on what factors contribute to building strong regional capitals and regions with particular attention paid to leadership and governance arrangements.

Launceston was selected as one of the case study regional cities in this report. The report highlighted difficulties that both the city and region have faced through the closure of some large employing manufacturing businesses and the collapse of the forestry industry. It also commended the City of Launceston in the role it played as being a partner in the NTD initiated North East Mountain Bike Project, anchoring the development of



⁷ Suncorp Bank, family Friendly City Report, 2013

the Greater Launceston Plan, and in the way the City of Launceston has worked closely with private sector developers to get regionally significant projects up and running.

Despite such praise, the report made a point of mentioning funding tensions (at the time of writing) between City of Launceston and NTD and how this tension was hampering regional governance and collaboration. These tensions have since been resolved and have resulted in NTD being given a mandate to develop a strong regional governance framework (taking the form of the Regional Futures Plan) that will better enable both NTD and region as a whole to advocate for even better funding than the current levels received. This process has been strongly supported by the regional councils, as there seems to be a general understanding that regional unity will be of increased significance into the future, especially when federal funding is likely to become less accessible and with the Tasmanian Government making a strong push for council efficiency through resource sharing and possible amalgamations.

Conclusion



Northern Tasmania Development (NTD) firmly believes that the future role and contribution of regional capitals to Australia is to be an integral part of the regional system they belong to, through supportive leadership and collective collaboration with other regional leadership organisations and as the regional service centre. Future government policies and incentives to encourage regional development should be based around promoting regional collaborative governance

frameworks that are utilising ‘place-based’ comparative advantages to construct regionally significant competitive advantages.

In the case of Launceston and Northern Tasmania, NTD is actively working towards implementing a regional governance framework through the Regional Futures Plan initiative. In past instances where collaborative project development and advocacy has taken place in Northern Tasmania the region has been able to execute successful regional building projects, this underpins a strong case for building a more formal collaboration arrangement. If government policies and incentives were further directed to encouraging this kind of regional collaboration then it would be to the benefit of regional Australia. In the meantime NTD will continue to work towards building a lasting Northern Tasmanian regional governance framework that will enhance the standard of living of the Northern Tasmanian residents.