

Working from home



One consequence of the COVID pandemic has been the marked increase in people working from home instead of at their usual place of employment. Until March 2020, working from home (WFH) was an occasional option for workers in administrative, managerial and some professional roles. Suddenly, WFH became a necessity as lock-downs were imposed to slow the spread of the virus.

Over the past six months, many workers and their employers have realised the benefits of WFH—benefits that include increased productivity due to time saved from the daily commute. City dwellers have found that many of the attractions of city life are unavailable; many people have been confined to their apartments. The trickle of sea-changers is turning into a river as city dwellers move out to the suburbs and to regional areas.

This phenomenon is already occurring in Australia and overseas as these reports illustrate:

- Australian Financial Review, 8 July 2020, 'Vacancy rates soar amid COVID-19 exodus'
- The Telegraph (UK), 26 May 2020, 'Moving to the country...urbanites flee virus-hit cities for rural retreats'
- The Guardian, 12 June 2020, 'So long, New York: pandemic and protests spark new exodus to suburbs'.

Proposal

Tasmania can take advantage of this opportunity to facilitate a skilled migration program. By building on the Tasmanian brand and developing existing tourism promotions, Tasmania could rapidly implement a promotional campaign targeted at a new breed of sea-changers: skilled workers and professionals with their young families.

Based on the theme *Working from home—your Tasmanian home*, this campaign has the potential to drive long-term, sustainable economic growth.

Next steps

Assumptions

For the sake of the exercise, let's assume that:

- PESRAC endorses the proposal and recommends it to government
- Government adopts the recommendation, allocates a budget and directs the relevant agency to implement the campaign.

Implementation

- Relevant agency—let's say State Growth—appoints a project manager who draws up a project plan and briefs an advertising agency.
- Advertising agency develops creative assets and media schedule to deliver the promotional campaign to target audiences. Creative assets for this campaign could build on Tourism Tasmania's current campaign *Make yourself at home*.
- Support the advertising promotion with testimonials from recent immigrants to Tasmania, those in the target demographics.
- Implement the WFH campaign; adjust and refine as the campaign unfolds.



Special economic zones



A special economic zone is an area that is subject to different economic regulations than other regions within the same country¹. SEZs are an instrument of socio-economic development. They are deployed to kick-start industrial sectors and to promote technology transfer. They can improve the investment environment by reducing transaction costs, and increase the ease of doing business by streamlining administrative procedures.

The concept of free-ports dates back centuries, with traders moving cargoes and re-exporting goods with little or no interference from local authorities. Modern free zones, adjacent to seaports or airports or along border corridors, appeared in the 1960s. They began multiplying in the 1980s with the increasing reliance of global manufacturers on offshore production. According to the UNCTAD, by 2019 there were 5400 SEZs, more than 1000 of which were established in the past five years².

Some of the better known SEZs are those in the People's Republic of China, South Korea, Dubai and Poland.

China has been the most successful in using SEZs to attract foreign capital. The first four SEZs in China were created in 1979 in the south-eastern coastal region: Shenzhen, Zhuhai, Shantou, and Xiamen. China added Hainan Island to its list of SEZs in 1983.

The success of the original SEZs prompted the government to create 14 "open coastal cities" in

1984. These cities enjoy similar benefits to SEZs such as the power to approve investment projects, offer incentives to foreign investors and import equipment and technology tax free.

SEZs have contributed significantly to China's development. In recent years, national SEZs have contributed 22% of China's GDP, 45% of total national foreign direct investment, and 60% of exports. SEZs are estimated to have created over 30 million jobs, increased the income of participating farmers by 30%, and accelerated industrialization, agricultural modernization, and urbanization.³

In **South Korea**, free economic zones (FEZ) promote regional development by improving living conditions and business environments for foreigners. The government provides a variety of tax benefits for foreign firms and expatriates, as well as a simpler regulatory regime and swift administrative services. Since the first FEZ was established in 2003 (Incheon), the country now has eight in operation.

Dubai: Free Trade Zones in Dubai offer tax concessions and customs duty benefits to expatriate investors. More than 30 FTZs currently operate in Dubai, the first of which, Jebel Ali Free Zone, was established in 1985.

Each zone is designed around one or more industry categories and only offers licenses to companies within those categories. For example, the Dubai International Finance Centre (established in 2004) is a financial hub for the Middle East, Africa and South Asia markets. DIFC, which is a 110 hectare district in central Dubai, is an independent jurisdiction within the United Arab Emirates. The district is governed by a common law framework, which is distinct from the UAE legal system. Laws and regulations are issued in English.

By 2020, DIFC had developed into one of the top ten global financial centres. DIFC is a business ecosystem of over 25,000 professionals working in more than 2400 active registered firms. The DIFC district features modern office space, retail outlets, cafes and restaurants, art galleries, residential apartments, public green areas and hotels.

Poland: After the collapse of the Soviet Union, Poland enacted a broad transition towards a market

¹ Adam Barone in Investopedia, <https://www.investopedia.com/terms/s/sez.asp>, accessed 26 August 2020

² UN Conference on Trade and Development (UNCTAD), *World Investment Report 2019*, chapter 4, Special Economic Zones

Paul Oxley, submission to PESRAC, August 2020

³ World Bank briefing paper, 2015, <https://www.worldbank.org/content/dam/Worldbank/Event/Africa...2015/...chinas-special-economic-zone.pdf>
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economy, which left large parts of Poland unable to compete in the new liberal market regime. Unemployment in rural areas increased, and to counter the negative effects of economic transition, in 1994 the government created SEZs.

These zones aimed to tackle increasing regional unemployment and attract foreign direct investment into Poland via major corporate tax relief. By 2012, SEZs had generated over EUR20 billion of investments and created over 186,000 jobs.

Poland

Centre for Public Impact, Case Study, *Special economic zones in Poland*, 14 August 2018
www.centreforpublicimpact.org/case-study/special-economic-zones-poland/

The First News, Warsaw, 14 November 2019: *Polish Special Economic Zones ranked among world's best*

Proposal

The proposal is to develop one or more SEZs in Tasmania. Let's start by exploring the possibilities that SEZs can offer.



Next step

Organise a conference that:

- provides a platform to share knowledge and experience with SEZs
- develops relationships among interested parties.

Speakers at the conference might include:

- managers of established SEZs
- owners of businesses that operate in SEZs
- policy makers who developed the SEZ concept within their jurisdictions.

More info on SEZs

South Korea

www.fez.go.kr/global/en/index.do

Dubai

Jebel Ali Free Zone

<http://jafza.ae>

Dubai International Finance Centre

www.difc.ae

Countryside walks

Go slowly, stop often⁴



Tasmania is known for its wilderness walks, which attract thousands of visitors every year. Famous long distance walks include the Overland, the Three Capes, and the South Coast tracks. Multi-day walking is an important and growing segment of the tourism market. Tasmania continues to develop this segment, especially in wilderness areas.

However, one aspect of this market has been overlooked so far: countryside walking. Tasmania has a variety of rural landscapes that would be attractive to visiting walkers. Much of the basic infrastructure is already in place in regions such as the Midlands, the Derwent, Tamar and Huon valleys, and the Northwest Coast. Roads, towns and villages in each of these regions provide access, accommodation, food and other services to visitors.

The proposal is to develop walking trails through or within each region. The trails could provide for:

- extended walks through each region, comprising daily stages and staying overnight in existing local accommodation; or
- separate walks from a base (such as Oatlands or Bothwell) to local landmarks and points of interest (hub and spoke).

Examples of long distance countryside walks abound in Europe, North America and elsewhere. In fact, thousands of Australians travel overseas every year to experience this type of holiday. Yet Tasmania's rural districts have many of the features that attract these walkers: varied terrain and

changing landscapes with towns and hamlets to rest along the way.

Countryside trails do not require the capital intensive infrastructure needed for wilderness walks such as the Three Capes Track or for bike-ways like the North West Coastal Pathway. Instead, the main investment is in surveying the routes, using existing reserves where possible, and acquiring rights-of-way as necessary. Physical infrastructure can be limited to directional way-markers. Other assets, such as gates, stiles and gravel surfaces, can be added incrementally as foot traffic increases or to stimulate demand.



Way-marker on hike to Col du Brévent, France

Tasmania's Midlands landscape with its heritage values could be the ideal test-bed for developing a long distance walking trail. The Midlands trail would traverse the countryside between the tourist towns of Richmond in the south to Evandale in the north, each of which is located near an airport. Visitors arriving from the mainland could be on the trail and walking within 30 minutes of leaving the airport.



Way-marker on Hillfort Trail, Cheviot Hills, England

⁴ Statement by a guest on 'Britain's Ancient Tracks', broadcast on SBS TV, 26 August 2020