

12 June 2020

Tony Ferrell  
Secretary  
Department of Treasury and Finance  
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Dear Mr Ferrell,

**Re: The Premier's Economic and Social Recovery Advisory Council: Phase 1 consultation.**

We appreciate the opportunity to make a submission to the Premier's Economic and Social Recovery Advisory Council (PESRAC). The Cradle Coast Authority (CCA) is jointly owned by the nine Councils of western and north-western Tasmania to help them achieve regional outcomes and maintain strong local government. We are recognised by all tiers of government as the key economic development and Natural Resource Management body in the region, and employ twenty staff with expertise in these fields and Council shared services.

Our region has been hit very hard by COVID-19, and it is crucial any State and Federal Government led recovery effort, recognises, aligns with and benefits from, existing economic and community development structures. This includes the Cradle Coast Authority and our "Futures Plan approach", which has received significant buy-in from industry, all tiers of government and the university sector and is recognised as providing the overarching economic development framework for the region.

**Background – the Regional Futures Plan and the Regional Economic Development Steering Group**

Published in late 2018, the Cradle Coast Regional Futures Plan provided a blueprint for an ambitious approach to regional economic development. At the centre of this approach, is an industry-led Regional Economic Development Steering Group (REDSG) which brings together all tiers of government, the university sector and industry. The current membership of the REDSG is as follows:

- Sheree Vertigan AM (Chair and a CCA Director)
- Professor Jim Cavaye (UTAS)
- Jim Ertler (Premium Fresh)
- Lara Hendriks (Dept. of State Growth)
- Tim Hess (formerly of Petuna Seafoods)
- Ian Jones (Business North West)
- Vonette Mead (Mead Con)
- Craig Perkins (RDA Tasmania)
- Stacey Sheehan (One Agency Collins Real Estate)
- Catherine Stark (Seven Sheds Brewery)

The REDSG is supported by several community-based Working Groups, economic development practitioners seconded to CCA from Member Councils, and CCA staff. The work of the REDSG is informed by the Regional Futures Plan and is responsive to community priorities as determined by the Working Groups.

In response to COVID-19, the REDSG has developed a response built around immediate, medium, and long-term time horizons. We have launched a business mentoring program in partnership with UTAS and CPA Australia, and a Regional Restart Hub ([www.cradlecoast.com/regional-restart-hub](http://www.cradlecoast.com/regional-restart-hub)) which provides businesses with access to mentoring, grants and other resources. We have published our first list of Projects of Regional Significance developed through our Regional Investment Framework (see attachment) and have partnered with UTAS and The Advocate, to engage the community in a conversation about "Reimagining our region" ([www.cradlecoast.com/reimagining](http://www.cradlecoast.com/reimagining)).

This submission represents our economic development interests as opposed to representing the impact that COVID-19 has had on Member Councils. The Local Government Association of Tasmania (LGAT) has a well-established role representing the common interests of all Tasmanian Councils, and we value their work. We also support their plans to seek stimulus funding for circular economy related activities and anticipate working alongside them in that regard.

**What impacts are currently being seen by your sector or members (including clients/households/individuals as relevant in your context) and what impacts are anticipated in the coming weeks and months?**

The arts and recreation sector has been hit particularly hard with most events and activities in 2020 postponed until 2021. Individual artists have had bookings and events cancelled. Smaller local events and performances may be able to be restarted later in 2020, though large community events or events with a considerable lead time will not, regardless of the lifting of restrictions. This has implications for community confidence and adaptation. Business Events Tasmania notes conference events have been postponed, not cancelled with a likely busier year in 2021 if COVID 19 impact continues to lessen.

Accommodation and tourism businesses have been impacted and are expected to recover as restrictions are eased. Food service industries that rely on local trade are expected to bounce back first as office workers return to city centres.

Agriculture and aquaculture businesses supplying restaurants have seen a decrease in off island sales but have often picked up sales from supermarkets. Harvest Moon has noted sales of carrots and other shelf stable vegetables have increased. McCain's and Simplot are major food processors in the region and as they provide frozen and processed vegetables, are likely to have been affected similarly. Small niche agribusinesses reliant on retail, tourist or market sales have been affected the most. A number of businesses have switched to online sales and/or direct delivery methods to keep afloat over the period, though some have closed. This may provide those businesses with greater resilience into the future if they retain their online sales capability, particularly interstate. It's difficult to know if consumer patterns will revert to pre-COVID.

Renewable energy projects in the region have been continuing and a number of new mining projects in the planning phase have not been delayed due to COVID. Currently, there is an increase in mineral prices due to mine shutdowns in other countries which is increasing the demand for Australian products. The impact of COVID on the global economy will have a big effect on the mining sector which significantly affects the Cradle Coast region economic indicators.

Local government community and recreation services that have been closed are gradually reopening as restrictions are easing.

**What factors are likely to shape the medium and longer-term impacts for your sector/members?**

Airfreight disruption due to COVID will limit exports, particularly of cold chain food products until international flights are resumed in near normal numbers. For the Cradle Coast region this will impact the seafood industry the most but also small businesses exporting in lower volumes that were using airfreight.

During 2019, the focus of the region was on growing our population and our skills to meet a demand for skilled workers that was being unmet. The COVID disruption has impacted the ability and willingness of people to move intrastate and interstate for work. It is also likely that several people have retired early due to COVID and there will be a reduced participation rate in the workforce over the coming few years, earlier than anticipated. In Australia, the participation rate has dropped from 66% in March to 63% in April. This means a number of people have taken the COVID disruption as an opportunity to leave work and are not intending to return (i.e. they aren't seeking work. Cradle Coast region's participation rate is 55.5% in April; Launceston and the North was 60.3% and Hobart 63.9%. (<https://lmip.gov.au/>) This will further exacerbate the difficulty business have had in securing skilled workers.

**What data or information can currently be provided to the Council on the nature and magnitude of impacts for your sector/members?**

CCA is currently conducting a sentiment survey, and will have the results by the end of June.

**What mitigation measures are currently in place that aim to address these impacts?**

Increased participation in skills training in the Cradle Coast region and increased awareness among businesses that they need to train up locals to meet their workforce shortages will improve the ability of the region's economy to grow.

**What impacts are not being mitigated or for which there is no plan in place to mitigate?**

While there has been some effort to make training more accessible, there is a high upfront cost for unskilled workers or unemployed people to undertake training, particularly with no guaranteed job at the end. Existing approaches to solving this mismatch between skills and workforce needs are not working. Partnerships between larger industries and the education sector are helping but on the Cradle Coast where

businesses are small and educational offerings are limited, there is insufficient industry - education sector engagement.

Supporting our urban CBD's will be important to keeping small businesses open. Encouraging office workers to return to work will support cafes and lunch venues. Small events in business districts might be a strategy to rebuild confidence in our communal spaces. At this stage, CCA is unaware of any plans to mitigate this risk to our retail centres or provide a coordinated approach to reinvigorating local community spaces. Supporting community arts events in CBDs and town centres could be pursued as a social recovery measure.

Anecdotally, women have been disproportionately impacted by COVID yet stand to gain less from construction and infrastructure focussed stimulus efforts. We, therefore, urge the Government to consider providing stimulus to projects and sectors which tend to employ large numbers of women and other cohorts who have been disproportionately impacted. We are aware of some circular economy related work being planned by Tasmanian Women In Agriculture, and suggest it is worthy of further exploration.

**What responses, both within the sector and more broadly, are front-of-mind and over what timeframes - what should be stopped, what should continue and what should be started?**

We need to focus on diversifying markets so we are less reliant on exports which are particularly prone to global disruption. While Tasmanian businesses have long been encouraged to value add as a means of capturing a greater share of the consumer dollar, value adding should also be looked at as a means of increasing domestic capacity and capability. This was expanded on recently in one of our "Reimagining Our Region" articles ([www.cradlecoast.com/reimagining](http://www.cradlecoast.com/reimagining)):

*Our economy too, must change. While we went into this crisis in a good position, we would be foolish not to recognise how perilously close we came to further disaster. Manufacturers and healthcare workers in particular, adapted with lightning speed; nurses and doctors worked around the clock to ensure we never actually ran out of beds and manufacturers – including some in our own backyard – re-tooled and produced vital medical supplies that we were unable to bring in from overseas. This highlights how lucky we have been, how reliant on imports we've become and how important it is to diversify our economy and support local manufacturing.*

*As we turn our minds towards reimagining and rebuilding our economy, boosting local manufacturing must be a priority. More local manufacturing would be good for jobs, society and the environment, because Australia can make products that are better, safer and more sustainable than many imported alternatives. It would reduce our reliance on imports and allow us to better withstand the impacts of global conflict, unfavourable trade conditions, future pandemics and other crises.*

*The Cradle Coast region in particular, boasts a proud manufacturing heritage and a future focused manufacturing industry. We have manufacturing workers, equipment and training facilities that are world class, and are underpinned by a globally recognised brand and an endless supply of renewable energy. Manufacturers in our region should be supported to produce more of the things Australians need.*

*Let's not only make Tasmania the "Battery of the nation", let's make Tasmania the "Factory of the nation" too.*

Some advantages of the COVID disruption have been found, particularly in the ability for training providers to provide training remotely via video conferencing. This needs to continue and should be expanded. For regional students, creating small training hubs where online students can gather socially for support is important, a good example being the Zeehan Study Hub. This will enable more regional students to complete the bulk of their TAFE or university education without having to leave their hometown. Additional study hubs in Circular Head, King Island and Devonport should be considered. Online/video conferencing delivery and assessment should be maintained and the need for students to travel to attend lengthy sessions without assisted accommodation provision should be avoided. This would reduce the cost of education for Cradle Coast residents, widen their choices and put the Cradle Coast on a level playing field with urban centres, such as Hobart. This will improve the skills profile of our workforce and make tertiary education more observable in the community.

**What would help create or build business/consumer/community confidence?**

Reminding Tasmanians we live in a special and safe part of the world, that our major industries are unaffected and if we buy and holiday locally our tourism and hospitality sector will rebound, will boost community confidence.

State and Federal Government support for the Futures Plan approach, including the REDSG and the Regional Investment Framework is vital. As well as ensuring stimulus efforts align with our region's long term needs, this will validate the work of the hundreds of stakeholders who are contributing to the Futures Plan approach and will ensure Cradle Coasters have a strong say in their own destiny.

**What would help your sector/members re-employ where there have been reductions in jobs, or grow employment levels?**

State and Federal Government support for projects endorsed through CCA's Regional Investment Framework (see attachment), and other initiatives devised by the REDSG and its Working Groups.

We appreciate you considering our submission, and trust PESRAC will recognise the value in working closely with CCA, given the economic development expertise of our staff and our unique links to Member Councils and key regional stakeholders.

Yours sincerely,



Daryl Connelly MBUS  
Chief Executive Officer

**Appendix I: Media release re: Projects of Regional Importance**

## Media release

12 June 2020

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### CCA ANNOUNCES PROJECTS OF REGIONAL IMPORTANCE

The Cradle Coast Authority (CCA) has today announced the first lot of regionally important projects assessed under its Regional Investment Framework. The framework provides a way for people to seek CCA's help advocating for regionally important project and allows our region to speak with one voice when it comes to telling government what is important to us.

The Regional Economic Development Steering Group (REDSG), a business focussed, industry-led Committee of CCA, assesses submissions against the objectives of the Regional Futures Plan, which include more jobs, more training opportunities, a better lifestyle and overcoming social disadvantage.

Businesses, community groups, peak bodies and other organisations can make a submission with assistance from the CCA team. Submissions will be considered on a rolling basis.

In no particular order, the current project list includes:

**Extensions and improvements to the Coastal Pathway**, transforming it into an iconic tourism experience and increasing liveability. Up to \$32m required.

**A scenic railway from Devonport to Penguin** and other Don River Railway upgrades, including a café and function centre. App. \$5m required.

**New mobile phone towers at Woolnorth and Togari**, supporting business productivity, safety, and digital accessibility. App. \$2.2m required.

**World-class organic composting facilities**, supporting FOGO (food organics, garden organics) collection for 40,000 households and businesses. App. \$6m required.

**200 new land conservation jobs** delivered through a "fair share" of a \$4b land conservation stimulus package proposed by NRM Regions Australia. Up to \$20m allocated to our region would see people working on weed management, track work and other Natural Resource Management projects.

**Battery Of The Nation** and **Marinus Link**. Together these projects will create thousands of jobs and enable delivery of low-cost, reliable and clean generation and storage that provide benefits to the entire National Electricity Market – working to make the best use of Tasmania and Australia's renewable energy resources. CCA supports the State and Federal Governments working with TasNetworks and Hydro Tasmania to progress these important projects.

CCA CEO Daryl Connelly said that the framework may be the first of its kind.



"Through CCA, our Member Councils have developed a rigorous process whereby esteemed people from industry, government and the university sector assess projects against the unique needs and long-term best interests of our region. People tell me they haven't seen anything like this before, and it's a real credit to our nine Member Councils and all of our partners who make the Futures Plan work." Mr Connelly said.

REDSG Chair, Sheree Vertigan AM, is pleased with how the new process worked.

"Even though our Group has a diverse membership, the rigour that sits behind the Framework enabled us to assess the projects and agree on their regional importance. We look forward to working together to consider future submissions from the community, which support economic development in the region."

CCA is also working with other regional bodies to design and advocate for a co-investment program. Under the proposal, businesses would be able to seek partial government funding for projects which help them grow and remain competitive. Further details will be announced soon.

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