BRINGING THE CONVERSATION TO LAUNCESTON
RECORD OF CONSULTATION
13 DECEMBER, 2013
INTRODUCTION

In December 2013, the Regional Australia Institute (RAI) and the Business Council of Australia (BCA) visited Launceston to host a roundtable on unlocking economic prosperity in the region. The forum was attended by over 40 representatives from Tasmania’s community, business, government, research and policy sectors.

The forum was part of the RAI and BCA’s Community Conversation series being held across regional Australia to bring regional data and research together with local knowledge, concerns and aspirations to identify the pathways forward to success.

Working with the community, the RAI and the BCA hope to develop approaches to regional development that are tailored to reflect the specific opportunities and challenges of Australia’s many regions.

The local knowledge and advice gathered from the consultations will also assist and refine the ongoing work of the RAI and the BCA, and provide a conduit for regional voices and interests to be heard at a federal level.

This document is a record of input from the roundtable discussion, and is designed as a reference document for the RAI, the BCA, and other regional stakeholders in the development of initiatives to ensure the sustainable and prosperous future of the Launceston and Tasmania regions.
THE DISCUSSION

In June 2013, the RAI launched [In]Sight: Australia’s regional competitiveness index, the nation’s first online index and interactive map ranking Australia’s 560 Local Government Areas (LGAs) and 55 Regional Development Australia (RDA) regions according to 10 themes and 59 indicators of competitiveness.

The following month the BCA released its Action Plan for Enduring Prosperity, a paper to encourage community thought and discussion on actions that support the BCA’s vision of enduring prosperity for all Australians.

Both the RAI’s [In]Sight and the BCA’s Action Plan were developed to help decision makers at all levels understand the opportunities for economic growth in their region, and the challenges that must be addressed.

The Community Conversation series are a platform for the RAI and the BCA to share this research and data with regional communities, and merge it with local knowledge to identify the best pathways forward to the sustainable and prosperous future of regional Australia.

Unlocking Potential

Each region in Australia has its own unique socio-economic potential, based on its available resources and the different ways in which they could be mobilised for future prosperity. Understanding the potential of any given region requires the examination of multiple factors which are critical to regional development.

In particular, regional economic growth theory and work by the OECD emphasises that in order to assess regional potential, we must first understand:

- The region’s competitive advantage;
- The external markets that underpin a region’s economy, future market opportunities and the level of volatility and risk in key markets;
- The role that the arrival of new people and financial resources are playing in the region; and
- The characteristics of the region’s local leadership and the level of entrepreneurialism available to drive a region to mobilise its resources.
Based on this understanding of assessing regional potential, the forum in Launceston was focused on how these foundations applied to the Tasmania and Launceston experience, framed against the data and research presented by the RAI and the BCA. A copy of the presentations made by both organisations to the forum can be found at Appendix A.

Guided by the RAI’s General Manager of Research and Policy, Jack Archer, participants were broken up into groups and asked to consider the following questions:

- Where is Launceston now, and what is possible in the future?
- What are the big opportunities and what are the big risks?
- What can be achieved locally, what could government policy influence and what can’t we control but will impact on our success?

The following is a summary of the discussion on each of the three focus areas, including [In]Sight findings in relation to the themes.

**Competitive Advantage**

In assessing the competitive advantage of Launceston, [In]Sight reveals that the region has clear strengths in natural resources, infrastructure and essential services, innovation, technological readiness, human capital and business sophistication.

In each of these themes, Launceston was ranked higher than the average result for LGAs. In particular, the capacity for endogenous growth, through strong human capital, innovation and technological readiness, was seen as a particularly positive aspect of the region’s competitive advantage.
Figure 2: Launceston’s competitive advantage against the average result for LGAs

Against this analysis, participants contributed the additional perceived competitive advantages and associated potential of the region:

- High quality natural resources;
- Many recreational areas near the city;
- Excellent family location – a good pull factor for bringing new people into the region;
- Strong regional infrastructure – it takes very little time to get into the city;
- A well-serviced and well positioned economy;
- High level of entrepreneurship;
- Excellent climate and water;
- Position to South East Australia; and
- Good research and development opportunities;

Discussion then centred on the pathways forward for building Launceston’s competitive advantage, with participants contributing the following comments:

- There is a lack of understanding of the current skills and how these can be tapped into;
- There should be a focus on the pursuit of excellence, high quality niches, sectors and industries;
- Launceston has the potential to grow on services and sell itself as a hub; and
- The region needs a better marketing strategy.
Local and Global Markets

In considering the economic profile of the Launceston region, conversation focused on the external markets that underpin Tasmania’s economy and future market opportunities. Market strengths of the region were identified through [In]Sight and other literature and data sources, such as;

- Agriculture, forestry and fishing;
- Knowledge intensive business centres;
- Scientific research;
- Energy and water; and
- Education and public administration.

Recent work from the University of Tasmania also focused on the region’s ‘revealed deep capability’ (comparative advantages from innovation and investment that are difficult to emulate by other areas). This work identified the following three sectors as sources of deep capability for the region;

- Aquaculture;
- Forestry; and
- Alternate energy.

In reflection of this discussion, participants contributed the following comments on the potential of local and global markets;

- Tasmania is a mix of commodities and niche, small-scale products;
- Tasmania is a subscale in a world sense, but some things – such as timber – could be on a world scale;
- Expertise can be developed – Franklin, for example, which is known for boat-building;
- There is an issue of capturing opportunities with the large amount of people on welfare;
- The cost of business and freight are inhibitive;
- There are opportunities in the mainland markets for:
  - Agriculture
  - Services
  - Construction
  - Education;
- There are also export opportunities to Asia in food, education and many other industries;
- Tasmania should look to other island states and how they succeed: what can we learn from similar regions?
- There should be a push for purchasing more goods from Tasmanian small business rather than overseas and other states; and
- We should explore a new model to bring the opportunity and ideas together to identify the best opportunities and markets.
Mobile Resources

The term ‘mobile resources’ refers to the role that the arrival of new people and financial resources are playing in the strength and sustainability of a regional economy.

Information from existing literature and data from [In]Sight’s human capital indicators reveal that there is a large percentage of professionals working across multiple industries in Tasmania, when compared to the national spread of employment. However, the region is challenged by lower education attainment and an ageing population.

The continued loss of younger people and the disproportionate gain of older migrants will contribute to accelerate the structural ageing of the population profile. This is expected to place substantial pressure due to a shortage of people of working age whose labour is essential to support growth of the regional economy.

Participants also noted the following in regards to building mobile resources in the region:

- Attracting people to the region is a social challenge;
- Launceston needs to create more jobs;
- Most formal schemes don’t work;
- It’s hard to keep skilled labour in the area;
- No Fly-In, Fly-Out (FIFO) policy, even though lots of people fly out for work;
- Seasonality means a lack of continuity in labour supply;
- There are issues of wages behind jobs, e.g. scallop shucker; and
- The capital base needs to be broadened.

The following ways to attract human capital to Tasmania were also discussed:

- Matching capital with key future industry sectors;
- Specific investor visas for migrants; and
- Specific business talent visas (venture capital and business history).

Leadership and Entrepreneurship

Examining the characteristics of Launceston’s local leadership and the level of entrepreneurialism available to drive a region, the roundtable discussion touched on the following points:

- Leadership is needed to set a vision for the region;
- There needs to be more transparency in decision making processes;
- Government works against business;
- There are barriers to entrepreneurship, not enough support for growth;
- More focus on is needed on how leaders can be developed in the communities;
- There is a need for initiatives that celebrate leadership and entrepreneurship; and
- Youth are disengaged, need to become the future drivers of the economy.
Reflections on the Future Potential of the Region

While the limited time available for this conversation is not enough to draw firm conclusions about Launceston's potential and future challenges, the discussion during the day suggests a mixture of factors at play which are working both for and against the potential future prosperity and development in Launceston and its surrounding region.

There is little doubt that the region has foundations for future growth in its natural assets which support both economic opportunity and liveability and its highly competitive infrastructure. Launceston, as the population centre of the region, is also well positioned compared to many other regions of Australia in its innovation capacity, technological readiness, human capital and business sophistication.

The challenge however remains in converting these competitive advantages into sustained growth and prosperity for the region. Feedback on the day suggested that current trends in mobile resources (people and capital) cannot be relied upon as future drivers of change from outside the region.

In this environment the focus shifts to the opportunity people in the region can create. The key challenges and uncertainties that emerged from across the discussion are;

- Whether the sectors seen as growth opportunities or sources of advantage (such as aquaculture, forestry and alternate energy) can support the job growth needed in the regions; and
- Whether the under-utilised labour in the region can be positioned to meet new demand for workers, given the challenges in education and skills identified as present in parts of the regional community.

Alongside these fundamental challenges for the future of the Launceston economy, was a mixed view of the current capacity of leadership and entrepreneurs to help the region navigate future challenge and opportunity.

The group who discussed leadership and entrepreneurialism identified a lack of a vision for the region that can be agreed across the diverse local community, questions about the transparency of decision making and effectiveness of relationships between business and government as well as a perceived need for greater support and promotion of leaders and entrepreneurs in the region.

However, while these issues are worthy of further consideration to ensure they are not constraining the ability of the region to lead its own development, the level and spirit of engagement by community leaders in the session suggests a strong foundation for positive change does exist in the region. Reinforcing this are the many examples of successful entrepreneurialism in the region mentioned by participants which are something that very few regions can present. This, more than anything, provides for positive change in Launceston and the northern parts of Tasmania.
NEXT STEPS

The RAI and the BCA hope the Launceston region will build on the discussions from the day and reflections captured in this report.

The input from the community of Launceston will also be invaluable to developing the future agenda of the RAI and the BCA, reflecting regional knowledge, interests and variation. We will draw on these insights in advocating policy reform to governments at the state and federal level, enabling regional voices to be heard on a national stage.

The RAI and the BCA would like to thank all the collaborators and participants who attended the policy roundtable in Launceston and made it such a constructive experience.

Make sure you stay with touch with the RAI by visiting our website at www.regionalaustralia.org.au and subscribing to the updates. You can also connect with us through Facebook and Twitter.
Bringing the conversation to Launceston – December 2013

BRINGING TOGETHER NATIONAL, REGIONAL AND LOCAL PERSPECTIVES

- But while EnSight provides nationally comparable data...it is only one part of the story
- Policy decisions are made on the national picture in the absence of local data and knowledge
- How do we draw all the information and resources together to create real action for regions and understand what makes them work?

DEVELOPING AND TESTING A COMPREHENSIVE MODEL TO GUIDE THINKING ON REGIONAL POTENTIAL

EXTERNAL MARKETS: OPPORTUNITY AND RISK - TASMANIA

- International trade and services
- Regional leadership and entrepreneurship
- Competitive advantage

MOBILE RESOURCES: CAPITAL & KNOWLEDGE FLOWS

- Human capital moves to Tasmania:
- Large numbers of professionals
- National spread of employment
- Specific investor focus for migrants
- Skilled business (power, health, education and business leaders)
- Oberon by lower educational attainment compared to national rates

REGIONAL LEADERSHIP AND ENTREPRENEURSHIP IN TASMANIA

- Strong identified seed and initiatives for making this component of potential success
- This indicates a strong enabling resource that is at the heart of turning plans and dreams into reality

REALISING REGIONAL POTENTIAL THROUGH BUSINESS DEVELOPMENT

- Access to capital
- Developing entrepreneurship
- Business services
- Supporting expansion into external markets and bringing business into Tasmania