

Response to State Government Draft Economic Diversification & Investment Strategy

APPROVED RESOLUTION 41/08.2026/C - THAT the report as tabled be submitted as Council's submission into the Draft State Government Economic Diversification and Investment Strategy.

Context

Tasmanian Government has released and seeks comment the *Draft Economic Diversification & Investment Strategy*.

The strategy introduces thinking, approaches and priorities which align to and are consistent with Council's Socio-economic Futures Strategy and factors identified in submissions to the earlier Local Government Review process.

While most factors and priorities are material to Council, a number are priorities, including

- Need for stronger State, regional and local cascading, economic diversity & investment alignment, linkages & activation
- A focus on outcomes and considered, systemic change management as levers
- Wider socio-economic consideration of output/outcome value definition, interdependence and its impact on RoI & benefit-cost prioritisation and evaluation
- A balance of opportunity capture and constraint mitigation
- Recognition of the need for wider regulatory and land-use planning alignment to the outcome goals

This submission focuses on

Background Strategic Priorities Council Input

Background

This submission is founded on findings from Council's extensive consultation with the Central Highlands community as a component of

- Providing wide and considered input into the *Local Government Review* process,
- Preparation of Councils *Socio-economic Futures Strategy* and *Strategic Plan,*
- Preparation of *Council's Township Structure Plans* and
- Council's ongoing community consultation program.

It is also motivated by the high degree of difficulty faced by Council in developing a coherent platform of intergovernmental collaboration to purposefully pursue resident and economic participant interests to orchestrate provision and development of the range of services and local capabilities which make the place work, grow and be sustainably investable as a key Tasmanian economic engine.

Within regions, resident population is an unreliable indicator as worthiness of public investment.

Natural resource based regenerative and renewable production of sustainable food, fibre, energy and environmental services are critical in adapting to and mitigating the impacts of climate change and other global supply risk factors.

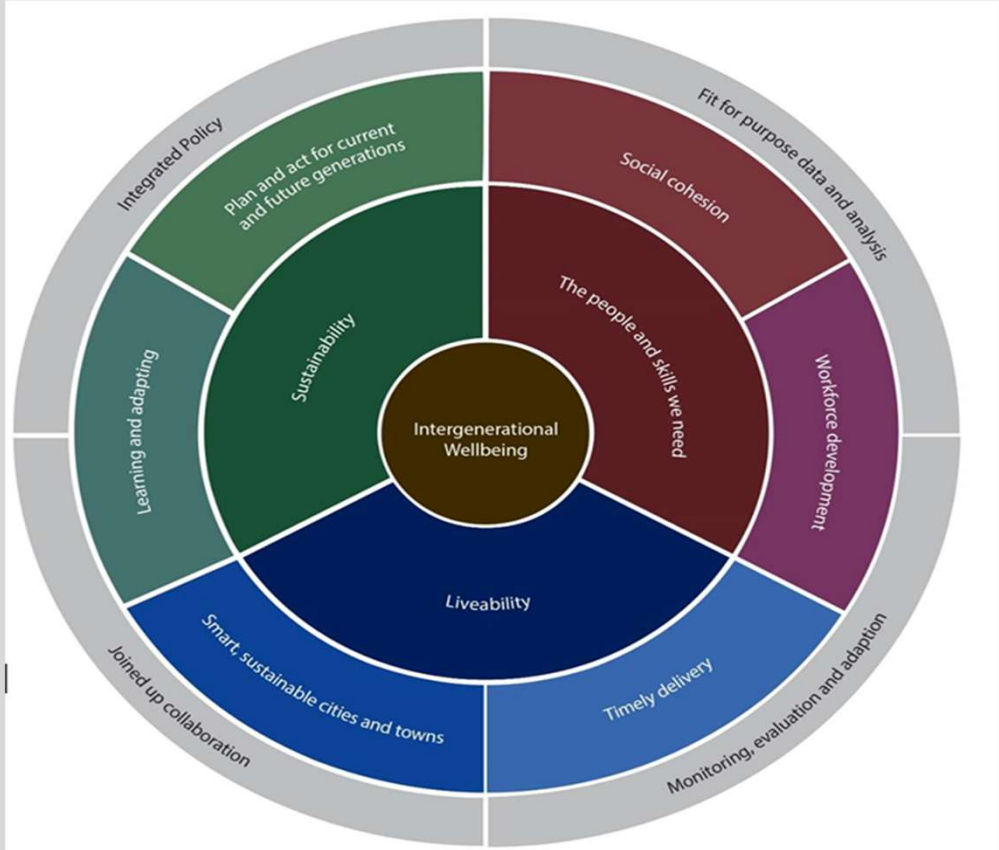
Central Highlands is delivering on this strategic imperative. There is an increasing, major opportunity cost to delay and lack of cohesion in investment in complementary services necessary to optimise this potential.

Joined up approaches

Tasmania's Population Policy

- Announced by Premier in July 2024
- Launched with Stage 1 Action Plan
- Blueprint with 3 priority areas:

1. Liveability
2. Sustainability
3. People and skills we need



- Population website with projections, snapshots and more:
- www.population.tas.gov.a

Draft Tasmanian Economic Diversification & Investment Strategy



The potential & opportunity cost of EDIS failure for Central Highlands

Economic Engine	Growth Basis by 2030	Estimated Recurrent Employment	Casual Employment	Potential Increase in Resident population
Renewable Energy	Investment pipeline & EMO estimates	97		231
Intensive agriculture	40 Ha intensive horticulture, 120 Ha Cherry	75	460 (peak) – 50(year-round)	300
Tourism & Hospitality (inc Accommodation & Food Services)	Trend, Potential attractor development	50	100	120
Synergy Value Add	e.g. Energy intensive business	40		96
Total		237	90 – 290 Peak	747

Below is how we orchestrate this!

Orchestrating Highlands Socio-economic Futures

creating Preferred Futures
PERFORMANCE INNOVATION PRODUCTIVITY

STRATEGIC INTENT

IMPACT / PURPOSE

Central Highlands – Prosperity, Liveability & Resilience

STRATEGIC OBJECTIVES

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
Environment & Amenity	**Product - Market Fit**	**Productive Place & People**	**Community Prosperity & Wellbeing**
A beautiful, diverse place which sustains its natural ecosystems while supporting country lifestyles, economic production and recreational experiences - KPIs - environmental quality, visitation, eco-system and primary production capacity	Producing renewable food, fibre, energy & environmental/recreational services & experiences for local, national and export markets - KPIs - Output, employment, sources	Generating investment, revenue, jobs & incomes which enable the productive delivery and creation of products and services - KPIs - Workforce participation, unemployment, volunteering, care	People living in, contributing to & sharing in the benefits of Central Highlands economy & experiences to achieve fulfilling lives and wellbeing - KPIs - SEIFA, Pop growth, demographics

OPERATIONS

VALUE CHAIN ELEMENTS

VC 1	VC 2	VC 3	VC 4	VC 5	VC 6	VC 7	VC 8	VC 9	VC 10	VC 11	VC 12
Landforms, ecosystems & climate	Accessibility - transport, utilities & services	Settled, built & developed environment, services infrastructure & distribution	Food, fibre & timber production & value add	Renewable energy production, storage & transmission	Environmental services	Value Add & Synergy	Retail, trade, business services & contractors	Education, health & care support & services	Public administration, safety & emergency services	Tourism & recreation	Community & cultural services & events

DELIVERY CULTURE / DIMENSION

Considered decisions, applied in a culture of excellence, innovation and resilience - adapting to changing circumstances & opportunities

RESOURCES, CAPABILITIES / LEVERS

RESOURCE 1	RESOURCE 2	RESOURCE 3	RESOURCE 4	RESOURCE 5	RESOURCE 6	RESOURCE 7	RESOURCE 8
Population, profile, capability & participation	Plan & regulate for the sustainable & productive use of land & ecosystems	Generation of income, money flow, recurrent expenditure & direct investment	Physical & digital infrastructure & built assets	External political, community & organisational networks, & intergovernmental relationships	Knowledgeable, skilled & capable people	Education & health facilities	Engagement, sensemaking, policy, governance & management systems

SYSTEM CONTEXT / CHALLENGE

Supporting people to beneficially leverage value from the challenges and opportunities of strategic economic conditions & shifts

Alignment of local strengths and state priorities supporting place-based growth (red cells)

Diversity & investment in place-based economies, settlement & outcomes

Understanding how a place works & how the portfolio & profile of economic roles contributes to settlement patterns & socio-economic outcomes is central to place based diversity and investment strategy. The key socio-economic perspectives include -

- Economic Engines - concentration of regional activity, generating external income at scale – Renewable Energy, Agriculture, Forestry, Horticulture, Tourism
- Economic Enablers – concentration of businesses/services generating transactions & multipliers
- Rural Service Centres – generally an historical location continuing to adapt & provide local/traveller support services – Bothwell, Hamilton, Ouse
- Dormitory – convenience, proximity to services & employment – A component to each settlement, reflecting employment & connection to place
- Amenity Centres – attraction based on natural or cultural heritage, limited services – Highland villages & settlement

(Creating Preferred Futures & Pitt & Sherry 2010)

The opportunity cost of State Strategy priority levers not working

Central Highlands potential economic driven employment & population projections highlight the local opportunity cost of the EDIS levers not working. As Central Highlands is the origin of largescale economic output not attributed to it (e,g, Hydro Power), and the associated non resident employment, this opportunity cost multiplies.

The above classification of economic & social contributors highlights the tangible impact of poor decisions within land-use policy & planning, compounded by a lack of cohesive state to local social, economic & environmental alignment & collaboration.

Within regional/rural economies the opportunity cost of poor regulatory decisions and lack of strategic governance alignment are immediately visible, impactful and not masked by the scale of nearby activity as can occur within metropolitan areas.

Delay & uncertainty are similarly impactful on industry, business and family investment decisions.

Spiralling up or down can be rapid in this environment.

Resident population level is not a reliable proxy for economic contribution or ability to take opportunities forward

EDIS Strategic Potential

The strong fit between The Tasmanian Economic Diversification & Investment Strategy & Central Highland Socio-economic Strategy provides

- A framework for systemic place and sectoral collaboration
- A systemic, robust & disciplined approach to collaboration, alignment, co-investment & activation
- A new era of joint effort

Our consideration of the EDIS priorities follows

Unlocking Private Investment

State Priorities

More predictable and faster pathways for the rezoning of land to meet emerging industrial, strategic and well-located housing needs, delivered through the program of ongoing reform.

Working with councils, industry and the planning sector to streamline planning assessments, improve consistency, and review the matters that require a planning permit where consistent with acceptable solutions in the Tasmanian Planning Scheme.

Central Highlands potential & at-risk local initiatives

- Renewable energy, sustainable agriculture, environmental services
- Renewable energy business/industrial park
- Non statutory precinct support – e.g. Bothwell tourism precinct, Ouse Community Health Precinct etc – local strategic & socio-economic service hubs
- Residential rezonings prioritised & accelerated in line with structure plans and economic growth potential
- On farm diversity of both production, environmental and, for example, tourism services at viable scale

Supports place-based investment profile & prospectus

Accelerating Growth & Innovation

State Priorities

Strengthening the research-industry interface, including the commercialisation pathway for technologies developed at Tasmanian research institutions Tasmanian businesses and projects to navigate the Australian Government's green-economy

Precision agriculture, aquaculture systems and agtech. Traceability, provenance and biosecurity technologies. Sensing, monitoring and engineering for extreme environments.

Central Highlands potential & at-risk local initiatives

- VET in schools, Adult micro-skills/credentials, link to innovation/research agencies
- CH positioning based on accreditation & certification to environmental, production and supply chain standards – a focus on quality, sustainability and viability
- Develop an aspirational, pro-active stance within Tasmnia's strategic land-use planning system aligned to EDIS & Council socio-economic goals

Lifting productivity

Other productivity dimensions

Productivity is a component of well-defined purpose and validated performance criteria. While there is a strong understanding of improving recurrent activity workflows using new technologies, digitisation and AI, the role of collaboration, communication, analysis, & joint decision making/activation provides a sustainable platform to productivity which wraps around and sets the context for operational productivity, is less prominent.

- Connecting Central Highlands to State strategy – organisational & activation performance & productivity
- On farm diversity of activity – scope economies
- Local contractor use – local economic multipliers, population base
- Productivity of natural areas – carbon, bio-diversity productivity

Activating our regions

State Priorities

Improved regional economic, development, liveability and demographic data and projections to support decision-making by government, councils, industry and communities.

Reviewing and aligning regional partnerships and supporting regional capability and capacity building.

Working with industry, councils and communities on the identification of regional strengths, workforce needs, catalytic infrastructure opportunities and land use planning barriers

Central Highlands potential & at-risk local initiatives

- Tailored regional approaches connecting on ground investment & activity to state level priorities
- State to local cascading models in strategy & planning – build on local advantages
- Broad, place-based approaches – intergovernmental – place/industry
- Recognition of local areas, economic engines and Councils

In a place-based context the planning instruments need to align to socio-economic aspiration, strategy, providing for options and new opportunity to be identified and tested against formal regulation through the more development approval processes, not be bureaucratically rejected at the first hurdle

Growing our capability

State Priorities

This Strategy proposes ongoing effort to support a more planned and integrated approach with government, industry, community, regions, education and training sectors

Improving the accessibility and currency of public-facing workforce, training, sectoral and regional labour market data and projections.

Lifting awareness across employers, providers, communities and young people of the skills and occupations in demand in their region and across the state, and the pathways available to enter them

Central Highlands potential & at-risk local initiatives

- VET in schools, Adult micro-skills, link to innovation/research agencies
- Population retention & growth support
- Multi-purpose Accommodation – seasonal and visitor
- Regions are more complex & bigger contributors than demonstrated by the population demographics

Strengthening Infrastructure

State Priorities

Energy-intensive low-emissions products into national and global markets, aligning with growing demand for trusted, decarbonised supply chains.

Coordinating economic priorities, infrastructure investment and land readiness — drawing on the Strategic Infrastructure Framework, strategic energy planning and the planning system — to ensure infrastructure decisions support the Strategy's investment, productivity and regional priorities

Central Highlands potential & at-risk local initiatives

- Infrastructure is a part of the capability, alongside say population/skills – balance sheet items
- Consideration of the balance between public and private infrastructure is important
- Proactive rezoning
- Services to zones
- Services to people through facilities

Conclusions

Council endorses the strategy direction, focus & priorities & looks forward to its activation

Central to this are the following foundational recommendations;

1. *Progress the integration of the approaches & levers within the State Economic Diversification & Investment and Central Highlands Socio-economic Futures Strategies to provide a collaborative, systemic, robust & disciplined approach to development in the Central Highlands*

2. *The State Planning System revert to its charter of sustainable economic, social and environmental development in rezoning & other planning considerations and away from its apparent role as a de-facto land supply side regulator*

3. *The State Economic Diversity & Investment Strategy be used to align key enabling instruments, such as State Planning Policy, to its strategic goals*

Appreciation

- Council appreciates the opportunity to contribute

- The test will be in activation

- Council is keen to discuss the opportunities and issues identified to elaborate on this submission

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