Local Government Association Tasmania

Our Ref: BM | DJL | LR

20 August 2026

Mr Mike Mogridge
Deputy Secretary – Economic Development
Building Tasmania
Via email: economy@building.tas.gov.au

Dear Mike

Draft Economic Diversification and Investment Strategy

Thank you for the opportunity to provide a submission on the draft Economic Diversification and Investment Strategy (draft Strategy). This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of Tasmanian local government

LGAT is incorporated under the *Local Government Act 1993* and serve as the representative body and advocate for local government in Tasmania. Our submission aims to provide a whole-sector perspective, with direct submissions from councils offering additional insights from their municipal and regional perspectives.

We welcome the draft Strategy and its integrated view of economic development and the connected enablers of growth, including land use planning, housing, infrastructure, land supply and workforce. Our submission proposes several improvements to enhance the draft Strategy, particularly the role of local government in activation.

Please feel free to contact me if you have any questions or would like further information, at dion.lester@lgat.tas.gov.au or (03) 6146 3743.

Yours sincerely

Dion Lester
Chief Executive Officer

General comments

We welcome the draft Strategy and its integrated view of economic development, it moves Tasmania beyond a passive, "doors open" investment posture toward a more deliberate approach to economic development. This does not mean abandoning investment attraction. It means becoming clearer about what Tasmania wants, where it wants it, and what trade-offs we are prepared to make. The draft Strategy provides the opportunity to articulate a vision of what Tasmania wants to be and what this looks like across the state. Achieving this will require a focus on our state's strengths and realities at the municipal and regional levels and integrated implementation and delivery mechanisms. These are not yet well articulated.

Specific Comments

Framing

The strategy is currently framed as a centrally driven, top-down approach. This approach alone is unlikely to succeed. Investment decisions, both private and public, must be informed by local and regional strengths, demographics, the workforce and the existing industry and business mix. Priorities 1 and 4 discuss the activation of regions, but without articulating how this would work within the draft, or outside it, we do not have confidence this will be achieved.

The purpose and vision also reflect this level of thinking. They do not state that people will be happier, healthier, or have a better standard of living, but rather that the economy will grow, thrive, and be dynamic. There is an opportunity to align the vision with that of *The Health Revolution Strategy,* where *"… everyone has the chance to live well, be safe and stay connected, no matter who they are, where they live, or what they earn"*.

The strategy would also be strengthened by directly considering the significant role that climate change is already playing and will continue to play in our economy, including the opportunities and risks. Similarly, our island state presents unique potential in how we think about materials and waste, so we can build towards a circular economy.

Delivery

Tasmania has a range of strategies across policy areas that articulate an ambition for integration and connection. However, some fall short in delivery.

Implementation planning and delivery must be given specific consideration now, rather than being worked out when the strategy is finalised. It cannot rely on the traditional set of action plans developed and delivered across silos within government. The strategy needs a clear implementation and delivery model that shows how components such as investment, workforce and planning connect and how they will be integrated across government. The current changes to the machinery of government provide an opportunity to achieve this, for example, with the shift of the economic development, industry and workforce areas into the Department of Premier and Cabinet. Assessing the strategy's success in achieving its goal is crucial. Without suitable metrics,

tracking progress is difficult, and efforts may be misallocated. Currently, the metrics are purely quantitative and do not capture how effectively the strategy meets its objectives.

Role of local government

The role of local government in the strategy needs to shift from a stakeholder and potential constraint to a key delivery partner. Councils are central to planning, infrastructure, community wellbeing, regional development and local investment.

Local government and the regions strategic planning could be supported to drive investment. This work should front-load the work that individual proponents currently must do project by project. This includes identifying the right precincts and regional opportunities, articulating utility capacity (water, sewerage, power), assessing risks, understanding transport and land constraints, and aligning the community with the intended future of a place. The aim is to de-risk investment before proponents arrive. These are the real impediments to development, not the statutory planning processes. This would also provide clear signals to the market about where our state is targeting investment at the local level. This is a fundamental requirement before any streamlining of development pathways can be considered.

Local government contends that the design and implementation of a statewide infrastructure contributions framework is an important part of supporting proponents. It is essential to underpin housing supply, industrial land readiness and growth, and to avoid investment delays as a result of the first mover disadvantage. A properly designed framework would increase development confidence by clarifying the growth infrastructure, its costs, and fairly sharing these costs across proponents and the community.

Summary

Draft Strategy issue	Comment	Implication for final strategy
Unlocking private investment	Investors need more than a “front door”. They need clear locations, clear services, clear standards and clear accountability.	Build the Economic Future Act and facilitation model around integrated precinct and project pathways, not only faster approvals.
Decision-making principles	Scarce resources such as energy, water, land, infrastructure capacity and public funding require visible principles and analysis of trade-offs.	Make comparative advantage, strategic resource use and opportunity cost tests operational, transparent and reportable.
Activating regions	Regional activation should be bottom-up as well as statewide.	Use labour-market catchments and communities of interest to shape regional investment plans, while

		retaining councils and the regional bodies as implementation partners.
Strengthening infrastructure	Water, power, transport, land and community readiness should be tested before proponents arrive.	Front-load infrastructure and land-use planning for priority precincts, including first-mover and developer contribution issues.
Growing capability	Workforce and demographic constraints differ sharply by region and must be planned realistically.	Link regional workforce, housing, training and migration settings to the actual economic opportunities of each place.
Innovation and growth	Climate, circular economy and Tasmania's island scale are underplayed opportunities.	Add clearer treatment of climate-adaptation advantage, circular economy pilots and sustainability-linked innovation.
Strategy into outcomes	Delivery depends on machinery of government, leadership, trust and agency coordination.	Specify governance, roles, accountabilities, public reporting and mechanisms for councils, utilities and industry to shape implementation.

Local government endorses the draft Strategy's ambition, but finalisation requires a clearer delivery architecture that shows how statewide priorities will be translated into regionally grounded investment choices, infrastructure sequencing, and accountable implementation.