RDA Tasmania submission on the Economic Diversification and Investment Strategy – Consultation Draft

August 2026

Introduction

Thank you for the opportunity to provide this submission. Regional Development Australia (RDA) Tasmania welcomes the development of a long-term strategic framework focused on economic diversification, investment attraction, productivity growth and regional opportunity. We particularly support the draft Strategy's **emphasis on evidence-based decision making, building on comparative advantages, and recognising the important role regions play in Tasmania's future prosperity.**

As Tasmania navigates a period of economic transition characterised by demographic change, evolving global markets, technological disruption and the shift toward a net zero economy, it is increasingly important that economic diversification efforts are grounded in robust evidence, supported by effective regional development structures, and focused on opportunities where Tasmania possesses genuine and enduring comparative advantages.

Executive Summary: Responding to the draft Strategic Priorities

This submission draws upon RDA Tasmania's existing and longstanding body of work undertaken to support a thriving Tasmania. As such, our response focuses primarily on **Strategic Priorities 2 – Accelerating growth and innovation, 3 – Lifting productivity, 4 – Activating our regions, and 5 – Growing our capability.** Additional commentary is provided on private investment and infrastructure such that it relates to the key enablers outlined below.

While the draft Strategy identifies a range of priorities and opportunities, RDA Tasmania believes successful implementation will depend on several key enablers that support investment, innovation, and long-term economic diversification. This submission therefore focuses on three enabling areas where targeted action can strengthen the effectiveness of the Strategy and support sustainable economic growth:

1. **Evidence-Based Economic Development**
   The role of the Tasmania Economic Review (TER) as a statewide evidence base to support economic development and investment decision-making.

RECOMMENDATION 1: Support ongoing, independent statewide economic intelligence and monitoring through regular updates to the Tasmania Economic Review, ensuring government, industry and regional stakeholders have access to the evidence required to inform policy development, regional planning and investment decision-making.

2. **Regional Development Architecture as an Enabler of Economic Diversification**
   The importance of regional development frameworks and sub-regional planning in translating statewide priorities into place-based outcomes.

   RECOMMENDATION 2: Strengthen regional development capability through place-based frameworks built around Functional Economic Regions, supported by organisations such as RDA Tasmania that possess the regional intelligence, partnerships and convening capability necessary to align economic development, workforce planning, infrastructure and community priorities.

3. **Tasmania's Bioeconomy Opportunity**
   The opportunity to position Tasmania as a leader in the emerging bioeconomy through green chemistry, advanced manufacturing and circular economy innovation.

   RECOMMENDATION 3: Develop a coordinated statewide bioeconomy agenda that leverages Tasmania's comparative advantages in renewable energy, agriculture, forestry, marine industries, advanced manufacturing and research capability, while supporting strategic public-private partnerships that drive future value creation, industry diversification, investment attraction and high-value export opportunities.

More broadly, in order to further strengthen the Economic Diversification and Investment Strategy and ensure long-term impact for Tasmania, we recommend:

- **Including a stronger problem statement** which the Strategy seeks to address, explaining how the principles will decide priorities, rather than simply describe them.
- **Defining priority investment pathways**, enabling infrastructure, and points of accountability for strategically significant projects.
- Focusing on the avenues for **catalytic investments that unlock private capital, industry activity and community participation.**

Enabler 1: Supporting Evidence-Based Economic Development

The Tasmania Economic Review

A core principle of the draft Strategy is that decisions should be informed by evidence and directed toward areas where Tasmania has credible strengths and realistic opportunities to compete. RDA Tasmania strongly supports this principle.

In 2025, RDA Tasmania commissioned the Tasmania Economic Review (TER) to establish a comprehensive, statewide evidence base examining Tasmania's economic, social and environmental performance. The TER provides analysis of economic growth, population trends, workforce participation, productivity, innovation systems, industry performance, education outcomes, social enterprise activity, and regional disparities. It was developed to support informed policy development, strategic planning, and investment decision-making across Tasmania.

The TER identifies several structural challenges that are highly relevant to the draft Strategy's objectives. These include Tasmania's declining workforce participation relative to the national average, slowing population growth, skills shortages across professional occupations, persistent productivity challenges and demographic pressures associated with an ageing population. The TER also highlights the close relationship between population attraction, workforce participation and economic growth outcomes.

Importantly, the TER demonstrates that Tasmania's economy cannot be understood solely through statewide averages. Economic performance, industry specialisation, labour market conditions and development opportunities vary significantly across regions. Understanding these differences is essential if economic diversification efforts are to be effective and responsive to local conditions.

Key Findings on Participation and Productivity and RDA Tasmania's Response

The TER describes Tasmania as having a relatively thin labour market characterised by lower participation, lower productivity and less diverse career opportunities than many mainland jurisdictions.

Tasmania continues to record the lowest workforce participation rate of any Australian jurisdiction, with a participation rate of 60.7 per cent compared with the national average of 67.3 per cent.

At the same time, employers continue to report persistent recruitment difficulties. The TER found that 33 per cent of all vacancies in Tasmania in January 2025 were for professional occupations, compared with 18 per cent a decade earlier. Tasmania remains a net importer of skilled workers despite strong labour demand.

Workforce participation is also constrained by adjacent social and economic issues.

Tasmania had the lowest availability of childcare in Australia in 2024, with only 0.352 places per child, and 57 per cent of small areas were classified as childcare deserts. Housing availability, transport access, educational attainment and access to training have significant influence on participation outcomes, not least Tasmania's low levels of digital ability by comparison to the national average.

As such, driven by the TER findings and other data sources, RDA Tasmania is concurrently delivering programs of work focused on childcare availability and innovative solutions to addressing demand, worker accommodation, workforce transition and development in the new energy sector, and on digital capability.

We note, in particular, RDA Tasmania's new energy workforce focus, and our externally-funded project to improve digital ability.

Young People in New Energy Network

Tasmania is in the early stages of a new energy revolution. Current workforce projections, prepared by RECFiT and Skills Tasmania, predict that future workforce demands will be greater than available local skills.

Both the Tasmanian and Australian Governments have committed to build the capacity of the local workforce in order to meet the needs of new energy employers. This commitment is actualised through the Tasmanian Clean Energy Centre of Excellence (TCECoE). TCECoE will focus on increasing the formal skills of Tasmanians so that they are better equipped to fill roles in local new energy projects.

RDA Tasmania recognises the importance of building a sense of community within sectors in order to foster long-term success, and as such, have developed a Young People in New Energy Network. The Young People in New Energy Network is a platform for young people (up to 40 years old) who are interested in, studying, newly graduated or starting their careers in new energy to connect. The network comprises diverse work types, spanning trade workers, professionals and complementary sectors, and serves as a conduit to formal training institutions and key employers, along with providing an avenue for employers to support their staff to build industry connections.

Digital Uplift

Tasmania has long lagged behind the rest of the nation when it comes to digital inclusion, with the latest Australian Digital Inclusion Index data, released in November 2025, showing Tasmania's Index score of 69.4, 4.2 points behind the national average of 73.6.

Meanwhile, government and industry share an ambition for having 1.2 million people in tech sector jobs by 2030, requiring a pipeline of digitally capable workers. This comes as analysis from the TER suggests that 32,000 new workers are expected to be needed by 2027 to meet skill gaps. Looking more broadly at the potential economic benefit of greater digital inclusion, a 2025 report from Good Things Australia conservatively estimates that across Australia, there are almost half a billion dollars in annual benefits if appropriate training and financial support are delivered.

Upskilling digitally excluded, working-age Tasmanians brings myriad opportunities across social and economic development.

To address this challenge, at the conclusion of the Tasmanian Government's previously funded *Digital Ready* programs, RDA Tasmania sought funding from Telstra, alongside project support from Marinus Link and Jobs Tasmania, to develop Digital Uplift. Digital Uplift is a digital skilling program aimed at ensuring that working age Tasmanians – from school leavers, to those retraining, right through to retirement – have the necessary skills to participate in the economy and society in our digital world.

Delivered alongside community partners including the Regional Jobs Hubs Network, community houses, and Libraries Tasmania, over 1,500 participants have engaged with the program within its initial 6 months of delivery, highlighting the significant demand for improved digital literacy to support work, learning and day-to-day life in the digital age.

Building a Shared Evidence Base to Inform Strategic Planning and Advocacy

One of the most significant outcomes of the TER has been its role in establishing a common evidence platform for government, industry, local government, regional organisations and community stakeholders.

Economic development is often characterised by competing priorities and differing perspectives. Independent, credible economic intelligence provides a shared language through which opportunities, challenges and trade-offs can be understood and discussed. The TER has increasingly served this function by supporting strategic conversations around workforce development, investment attraction, regional planning, infrastructure priorities and industry development.

The TER has readily been used to support strategic planning, regional advocacy and stakeholder engagement activities across Tasmania. It has informed discussions regarding workforce challenges, regional development opportunities, infrastructure priorities and economic diversification pathways. The TER also provides a foundation for ongoing updates to strategic regional planning processes and regional activation initiatives.

The Greater Hobart Strategic Regional Plan, developed by the Greater Hobart Councils partnership, is a practical example of how RDA Tasmania's robust economic intelligence can be translated into place-based planning and regional collaboration. Evidence-led planning helps ensure investment decisions are aligned with long-term economic opportunities and regional priorities rather than short-term or fragmented interventions.

Additionally, Jobs Tasmania have frequently used TER analysis in their work, including their inputs to the Jobs and Skills Australia Regional Roadmap.

The draft Strategy identifies improved regional economic, demographic and development data as a priority area for future action. RDA Tasmania strongly supports this direction and encourages ongoing investment in statewide and regional economic intelligence capabilities that can inform government policy, regional activation and private investment decisions.

RECOMMENDATION 1: Support ongoing, independent statewide economic intelligence and monitoring through regular updates to the Tasmania Economic Review, ensuring government, industry and regional stakeholders have access to the evidence required to inform policy development, regional planning and investment decision-making.

Enabler 2: Regional Development Architecture as an Enabler of Economic Diversification

Regional Development and Economic Development

The draft Strategy appropriately recognises that Tasmania's future will be shaped region by region and that economic opportunity depends upon understanding regional strengths, workforce needs, and infrastructure requirements.

RDA Tasmania believes it is important to distinguish between economic development and regional development, while recognising that both are essential to achieving the Strategy's objectives.

Economic development focuses on investment, productivity, innovation, business growth and industry competitiveness. Regional development focuses on the conditions that enable communities and places to participate in and benefit from economic growth. This includes workforce capability, infrastructure, housing, leadership, collaboration, service provision and regional capacity.

Economic diversification ultimately occurs in places. New industries, investment opportunities and workforce growth are realised through local communities, businesses, and institutions. Strong regional development frameworks therefore act as an enabling mechanism through which economic development outcomes can be achieved.

Functional Economic Regions

The draft Strategy identifies the need to better understand how Tasmania's regions function economically and proposes greater focus on regional data, partnerships, and place-based planning. RDA Tasmania strongly supports this direction.

Through its Regional Development Framework proposal, RDA Tasmania is advocating for the use of Functional Economic Regions as the primary scale for regional economic planning and engagement. These regions reflect real-world labour markets, service catchments and economic relationships rather than administrative boundaries alone. A copy of the proposal is included as an annexure.

This approach aligns closely with the draft Strategy's recognition that economic opportunities, workforce flows, and investment patterns do not necessarily align with traditional administrative boundaries. Functional Economic Regions provide a practical framework for integrating workforce planning, infrastructure investment, housing supply, economic development and community engagement.

The TER reinforces the importance of this approach. Regional analysis demonstrates that different parts of Tasmania possess distinct industry strengths, workforce challenges and growth trajectories. Place-based responses are therefore required if regional opportunities are to be fully realised.

Regional Development Frameworks and Regional Activation

The consultation draft identifies opportunities to review regional partnerships, improve regional capability and strengthen regional planning mechanisms. RDA Tasmania encourages the Government to build on this direction through the development of a coordinated regional development framework.

Such a framework should support:

- Regional economic intelligence and data collection.
- Place-based strategic planning.
- Regional activation plans aligned with State priorities.
- Coordination between Commonwealth, State and local government initiatives.
- Structured engagement with industry, communities and regional stakeholders.
- Identification of investment opportunities and project pipelines.

Importantly, regional development structures should not be viewed as separate from economic development. Rather, they provide the governance, coordination and intelligence required to translate statewide priorities into local outcomes.

As Tasmania seeks to diversify its economy, attract investment and respond to demographic change, strong regional development capability will become increasingly important.

RECOMMENDATION 2: Strengthen regional development capability through place-based frameworks built around Functional Economic Regions, supported by organisations such as RDA Tasmania that possess the regional intelligence, partnerships and convening capability necessary to align economic development, workforce planning, infrastructure and community priorities.

Enabler 3: Tasmania's Bioeconomy Opportunity

Building New Sources of Value

A central objective of economic diversification is the creation of new sources of value that strengthen economic resilience, enhance productivity and support long-term prosperity. For Tasmania, this requires both the development of new industries and the transformation of existing industries into higher-value and more competitive forms of production.

The emerging bioeconomy presents a significant opportunity. Globally, governments and industries are investing heavily in new value chains centred on renewable feedstocks, advanced manufacturing, sustainable materials, low-emissions industrial processes, and circular economy principles. These markets are expected to grow substantially as economies transition towards net zero emissions and more sustainable production systems.

As global investment in sustainable manufacturing and bio-based industries accelerates, Tasmania has an opportunity to establish a first-mover advantage in areas where its renewable energy profile, natural resource base and research capability provide a strong foundation for future growth.

Additionally, for Tasmania, the bioeconomy offers more than an environmental or innovation opportunity. It represents a pathway to economic transformation through the development of higher-value industries, new export opportunities, and increased value-adding within existing sectors. By building on established industries and leveraging emerging technologies, Tasmania has an opportunity to create new economic activity while strengthening the competitiveness of its existing industrial base.

Building on Tasmania's Comparative Advantages

The draft Strategy recognises that diversification efforts should be focused on areas where Tasmania possesses genuine comparative advantages and where future growth opportunities can be realised. RDA Tasmania strongly supports this principle.

Tasmania is uniquely positioned to participate in the emerging bioeconomy through a combination of assets that few jurisdictions can replicate. These include a renewable electricity system, globally recognised agricultural and forestry industries, significant marine resources, advanced manufacturing capability, strong research institutions, and an established reputation for environmental stewardship.

The TER highlights the State's strengths in agriculture, forestry, manufacturing, education, healthcare, and professional services, while also identifying the importance of innovation and productivity growth in supporting future economic performance.

Importantly, opportunities within the bioeconomy build directly upon Tasmania's existing industrial strengths. Green chemistry, renewable fuels, sustainable materials, circular manufacturing systems and bio-based products represent pathways for existing industries to transition toward higher-value, lower-emissions and more globally competitive business models. Rather than replacing established sectors, these opportunities can support industry transformation, encourage value-adding and create new revenue streams from existing resources and supply chains.

In this context, the bioeconomy should be viewed as a strategic opportunity to increase value-adding activity, support export growth, improve productivity, and establish new sources of competitive advantage within the Tasmanian economy.

Public-Private Partnerships and Industry Collaboration

Realising the opportunities presented by the bioeconomy will require coordinated action across government, industry, research institutions, and private investment.

International experience demonstrates that successful bioeconomy development is typically underpinned by strong public-private partnerships that support research translation, reduce commercialisation risks, and attract private investment into emerging industries. Shared innovation infrastructure, collaborative research programs, pilot and demonstration facilities, and industry-led development initiatives have played a critical role in the growth of bioeconomy ecosystems internationally.

RDA Tasmania encourages the Tasmanian Government to consider how future economic development initiatives can foster stronger collaboration between the public and private sectors, particularly in areas where Tasmania possesses clear comparative advantages and opportunities for future value creation.

This could include partnerships that support:

- Commercialisation of research and innovation;
- Industry transition and retooling;
- Pilot and demonstration projects;
- Advanced manufacturing capability;
- Workforce development and skills attraction;
- Investment attraction and capital mobilisation; and

- Development of new export-oriented value chains.

Such an approach would support not only innovation outcomes but also the broader objectives of economic diversification, productivity growth, and private sector investment identified within the Strategy. By leveraging public investment to unlock private capital and industry participation, Tasmania can accelerate the development of new industries while strengthening the competitiveness of existing ones.

A Coordinated Statewide Bioeconomy Agenda

RDA Tasmania encourages the Tasmanian Government to consider the development of a coordinated statewide bioeconomy agenda that brings together government, industry, research institutions, investors, and regional stakeholders around a shared vision for future economic growth.

Such an agenda would help identify priority opportunities, align investment and innovation activities, strengthen commercialisation pathways and support the development of new industries capable of delivering long-term economic value. It would also provide a mechanism through which Tasmania can align regional development objectives with broader economic diversification goals, ensuring that emerging opportunities are translated into benefits for communities across the State.

It should also support the adoption of circular business models and responsible innovation approaches, ensuring that economic, environmental and social considerations are integrated into future industry development and value creation opportunities.

RECOMMENDATION 3: Develop a coordinated statewide bioeconomy agenda that leverages Tasmania's comparative advantages in renewable energy, agriculture, forestry, marine industries, advanced manufacturing and research capability, while supporting strategic public-private partnerships that drive future value creation, industry diversification, investment attraction and high-value export opportunities.

Conclusion

RDA Tasmania welcomes the draft Economic Diversification and Investment Strategy and supports its focus on private investment, innovation, productivity and regional opportunity. As the Strategy progresses toward implementation, we encourage the Tasmanian Government to continue investing in the capabilities, partnerships, and enabling structures that will support long-term economic resilience and sustainable growth.

Tasmania's future prosperity will depend on its ability to make informed investment decisions, leverage regional strengths and build new sources of competitive advantage. Continued investment in economic intelligence, stronger regional development frameworks, and a coordinated bioeconomy agenda each represent practical mechanisms through which the State can advance these objectives. Together, they provide a foundation for growth that is driven by evidence, place-based, and focused on long-term value creation.

Thank you once again for the opportunity to provide this submission. We also acknowledge the targeted consultation process that followed the release of the Consultation Draft and appreciate the opportunity to engage more deeply through the facilitation of the Tasmanian Policy Exchange.

RDA Tasmania welcomes the opportunity to further discuss this submission and contribute to the ongoing development and implementation of the Strategy. Please do not hesitate to contact James McKee, CEO and Director of Regional Development, by email to james.mckee@rdatasmania.org.au should you wish to discuss any aspect of our response.

About RDA Tasmania

Regional Development Australia (RDA) is an Australian Government initiative established to encourage partnership between all three levels of Government to enhance the growth and development of Australia's regions. A national network of 50 RDA committees operates under a national RDA charter, reporting to the Australian Government.

RDA Tasmania represents the entire state of Tasmania and is dedicated to driving economic, social, and environmental development across the state. RDA Tasmania works across all levels of government, along with employers, industry, education providers and community organisations to support regional prosperity.

For more information, visit: https://rdatasmania.org.au/

Annexure: A Regional Development Framework for Tasmania

1. Executive Summary

Tasmania stands at a pivotal inflection point. The Premier's 2026 State of the State address announced the dissolution of the Department of State Growth and its replacement by a new delivery-focused Building Tasmania department alongside a new Economic Development entity aligned with the 2030 Strong Plan for Tasmania's Future. At the same time, the Tasmanian Government renewed its commitment to local government partnership through a new state-local government consultation agreement with the Local Government Association of Tasmania (LGAT), establishing the Minister's Local Government Forum to strengthen place-based policy engagement.

These reforms create a timely and compelling opportunity for RDA Tasmania to formalise and significantly deepen its role as the principal independent, auspiced entity through which subregional economic intelligence, program alignment and delivery, and place-based policy engagement are coordinated across Tasmania. This proposal advances that case.

Core Proposition – That RDA Tasmania be formally recognised — through an enhanced MOU with the Tasmanian Government and consistent with its existing Commonwealth Charter — as a key party to a Regional Development Framework (Regional Activation Framework) for Tasmania: the framework owned and auspiced by the Tasmanian Government, with RDA Tasmania serving as its principal facilitator, linking federal and state investment priorities with local government and community action across six Functional Economic Regions of Tasmania.

This proposal draws on the South Australian RDA model – which operates eight regionally-based committees under a coordinating peak body with substantial trilateral funding and a formal state government partnership – and the Victorian model, in which RDA Committees are embedded within Regional Development Victoria, co-located with state regional directors. Both demonstrate that the RDA framework is capable of operating as a mature, institutionalised component of state economic architecture.

A Regional Development Framework (Regional Activation Framework) for Tasmania would operate across six Functional Economic Regions aligned with the Regional Activation Framework draft being developed within the Departmetn of State Growth SHIP team. These regions — Greater Hobart, South and Central, Greater Launceston, Greater East Coast, Mersey, and Greater West Coast — are grounded in Productivity Commission guidance on Functional Economic Regions and draw directly on the foundational work of the nine Community Catchments identified in the Future of Local Government Review (2022–23). The six regions represent the most operationally credible

geographic groupings for regional development investment, reflecting real-world labour markets, service catchments and community identity.

2. Context and Strategic Rationale

2.1 The 2026 Reform Environment

The Premier's State of the State address set out an ambitious restructuring of the Tasmanian state service. The key elements of direct relevance to this proposal are:

- Creation of a new Economic Development entity from functions within the Department of State Growth, realigned with the 2030 Strong Plan for Tasmania's Future.
- Building Tasmania established as a delivery-focused infrastructure and housing department.
- A new Tourism, Events and Creative Tasmania entity.
- An explicit commitment to an "agile, streamlined and client-centred" state service.

This restructuring creates both an opportunity and a coordination challenge. Building Tasmania's Strategy and Planning function is the natural home for a Tasmanian Government-led Regional Activation Framework, integrating population policy, land use, infrastructure, and housing at a regional scale. The new Economic Development entity, together with Jobs and Skills Tasmania and the Office of the Coordinator-General, will each carry distinct regional dimensions requiring coherent coordination. Without a formally recognised Regional Development Framework (Regional Activation Framework) for Tasmania — owned and auspiced by the Tasmanian Government, the interface between state strategy, (economic planning, population, housing and infrastructure principally) and place-based implementation risks fragmentation across multiple agencies and State initiatives remaining disconnected from place based needs, leadership/ownership and leverage opportunities.

The 8 March 2026 Tasmanian Government-LGAT consultation agreement and the establishment of the Minister's Local Government Forum signals renewed commitment to structured state-local engagement. RDA Tasmania is positioned as the natural convener of that engagement at the subregional level, providing the substantive economic intelligence that gives those forums strategic purpose.

2.2 The Six Functional Economic Regions

The draft Regional Activation Framework identifies six Functional Economic Regions (FERs) as the appropriate operational scale for regional development investment in Tasmania. These regions — Greater Hobart, South and Central, Greater Launceston, Greater East Coast, Mersey, and Greater

West Coast — are based on the Productivity Commission's recommended approach to labour market geography, reflecting how communities, employment and services actually function. This six-region model is directly informed by the foundational community and economic geography work conducted in the Future of Local Government Review (2022–23), which identified nine Community Catchments. The six FERs consolidate those nine catchments into operationally efficient groupings that retain their geographic and community integrity while providing a scale that is sustainable for the Tasmanian Government and RDA Tasmania to maintain and resource:

Figure 2 below sets out the six proposed Functional Economic Regions. The regions are: Greater Hobart — South and Central — Greater Launceston — Greater East Coast — Mersey — Greater West Coast. [Note: these six regions consolidate the nine Community Catchments of the Future of Local Government Review: Tamar Valley, Cradle Coast, North-East, Eastern Shore, Central and Midlands, Southern Shore, South-East, Western Shore, and Western.]

Aligning a Regional Development Framework (Regional Activation Framework) with six Functional Economic Regions provides a direct and credible bridge between the draft Regional Activation Framework and RDA Tasmania's intelligence, planning and engagement activities. This approach is grounded in the same community and economic geography analysis that informed the nine Community Catchments, ensuring continuity with local government, community stakeholders and the Australian Government. It is also neutral with respect to any future local government structural changes: the FER boundaries serve as a functional economic planning tool regardless of whether council amalgamations proceed.

2.3 Alignment with the RDA Federal Charter

The RDA National Charter establishes RDA committees as independent advisory bodies working across all three levels of government. Key Charter functions that directly underpin the Regional Development Framework for Tasmania are:

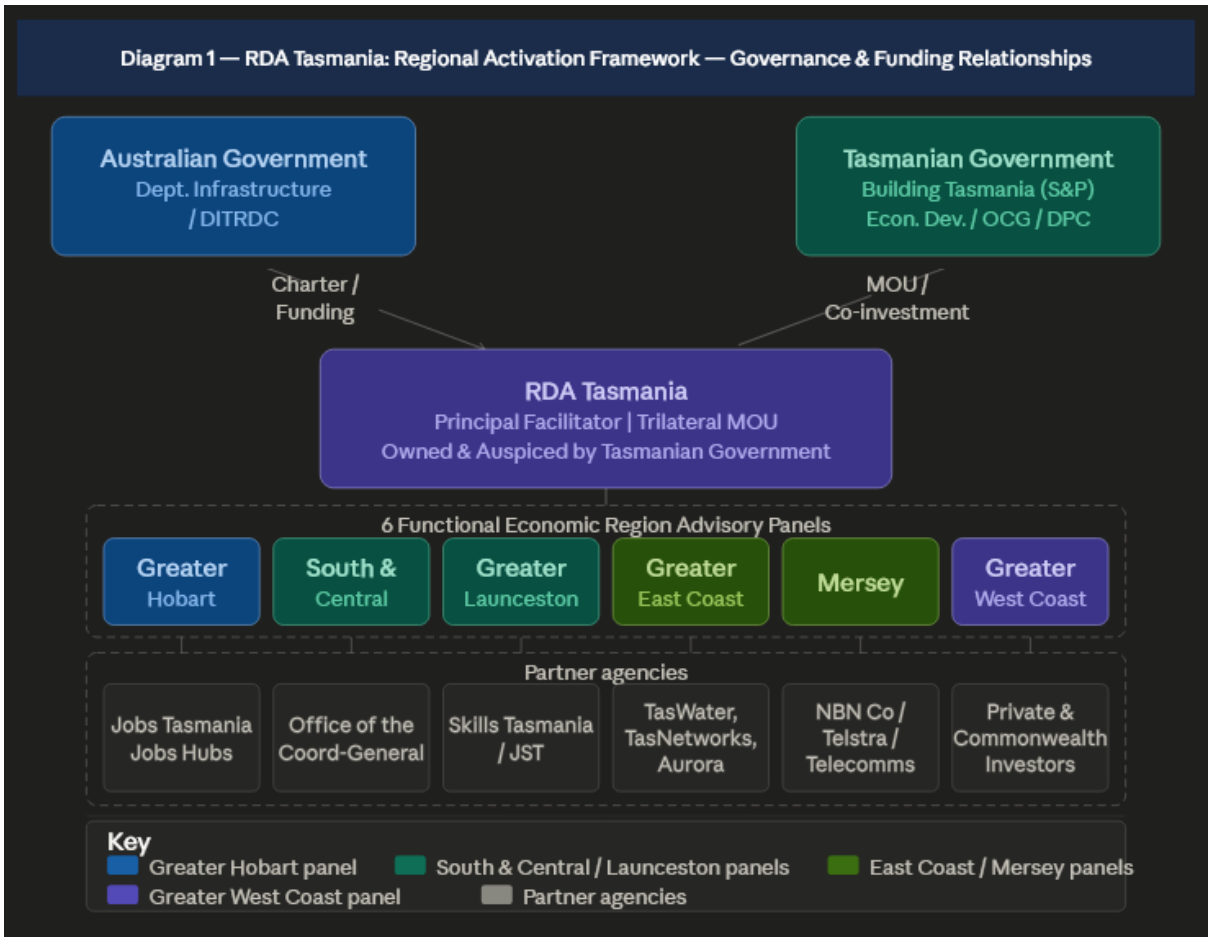
- Building the evidence base for economic development, innovation and diversification strategies.
- Facilitating meaningful engagement across three levels of government to ensure investments deliver better outcomes for regions.
- Contributing relevant data and local intelligence to support the evidence base for regional development strategies, program design and policy responses.
- Supporting delivery of the Australian Government's Regional Investment Framework in each region.
- Supporting local government and not-for-profit stakeholders to seek grant opportunities that advance strategic regional priorities.

2.4 Lessons from South Australia and Victoria

South Australia – The Trilateral Model	Victoria – The Integration Model
8 RDA committees across all SA regions	6 RDA Committees co-located in RDV offices statewide
Unique trilateral funding: Federal, State & Local Govt	Dual funding: Federal + Victorian Government
Peak body RDSA under independent Chair	RDA Committees embedded within Regional Development Victoria
RDSA coordinates annual Summit & Regional SA Blueprint	Regional Directors hold dual role as RDA Directors
RDA Boards deliver programs on behalf of state & federal agencies	RDA Committees & 9 Regional Partnerships work in tandem
Formal state partnership via Dept of Primary Industries & Regions	State-produced Regional Economic Development Strategies frame RDA activity

Tasmania's proposed Regional Development Framework draws on both models. Like South Australia, it proposes formal trilateral funding and governance with independent boards. Like Victoria, it proposes deep structural alignment with the state's economic development machinery, ensuring RDA Tasmania's intelligence is embedded in state decision-making processes.

Figure 1: Proposed Governance & Funding Relationships



3. The Proposed Regional Development Framework for Tasmania

3.1 The Six Functional Economic Regions

The following six Functional Economic Regions are proposed for the Regional Development Framework (Regional Activation Framework) for Tasmania. Each region consolidates the relevant Community Catchments from the Future of Local Government Review, reflecting real-world labour market and service catchment geography. Each region would have a dedicated Regional Advisory Panel providing a structured forum for local government, business, and community leadership to co-create Regional Activation Plans aligned to State and federal investment priorities.

Figure 2: Six Functional Economic Regions of the Regional Development Framework (Regional Activation Framework) for Tasmania

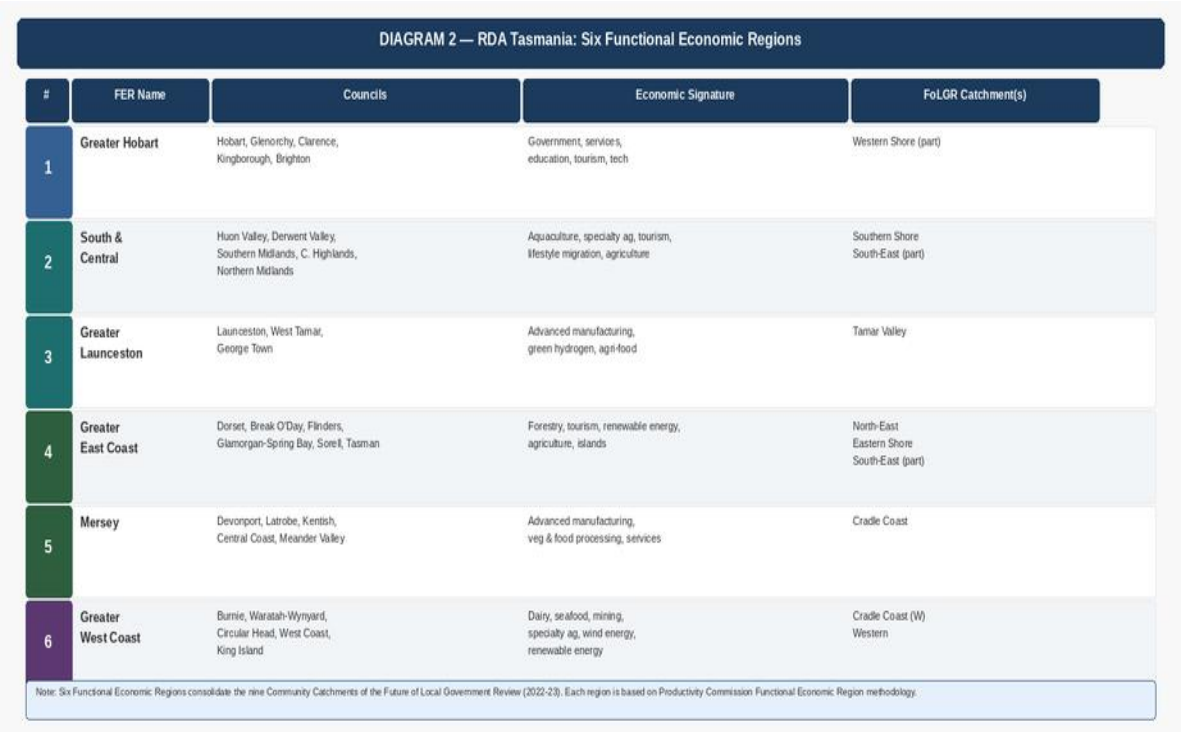


DIAGRAM 2 — RDA Tasmania: Six Functional Economic Regions

#	FER Name	Councils	Economic Signature	FoLGR Catchment(s)
1	Greater Hobart	Hobart, Glenorchy, Clarence, Kingborough, Brighton	Government, services, education, tourism, tech	Western Shore (part)
2	South & Central	Huon Valley, Derwent Valley, Southern Midlands, C. Highlands, Northern Midlands	Aquaculture, specialty ag, tourism, lifestyle migration, agriculture	Southern Shore South-East (part)
3	Greater Launceston	Launceston, West Tamar, George Town	Advanced manufacturing, green hydrogen, agri-food	Tamar Valley
4	Greater East Coast	Dorset, Break O'Day, Flinders, Glamorgan-Spring Bay, Sorell, Tasman	Forestry, tourism, renewable energy, agriculture, islands	North-East Eastern Shore South-East (part)
5	Mersey	Devonport, Latrobe, Kentish, Central Coast, Meander Valley	Advanced manufacturing, veg & food processing, services	Cradle Coast
6	Greater West Coast	Burnie, Waratah-Wynyard, Circular Head, West Coast, King Island	Dairy, seafood, mining, specialty ag, wind energy, renewable energy	Cradle Coast (W) Western

Note: Six Functional Economic Regions consolidate the nine Community Catchments of the Future of Local Government Review (2022-23). Each region is based on Productivity Commission Functional Economic Region methodology.

Six Functional Economic Regions consolidating the nine Community Catchments of the Future of Local Government Review (2022–23), colour-coded by geographic cluster. Each region has a distinct economic signature based on labour market and service catchment geography, and will be served by a dedicated Regional Advisory Panel within the Regional Development Framework (Regional Activation Framework) for Tasmania.

3.2 Governance and Legal Structure

RDA Tasmania currently operates as a single incorporated entity spanning all Tasmania under its Commonwealth Charter. This proposal does not alter that fundamental structure. Rather, it deepens and formalises the tripartite governance arrangements through two complementary mechanisms. Critically, the Regional Activation Framework is owned and auspiced by the Tasmanian Government — it is a mechanism through which the State ensures policy and program delivery is genuinely place-based, and provides a structure for strong local leadership to emerge. RDA Tasmania's role is that of principal facilitator of the key sub regional functions: it provides the independence, the federal mandate, and the analytical and engagement capability, but acts in service of a framework whose strategic direction and accountability rest with the Tasmanian Government.

(a) Enhanced Commonwealth Charter Recognition

RDA Tasmania's existing Charter relationship with DITRDC provides the federal legitimacy and funding basis for the proposed model. The Charter's requirements to prepare Regional Plans aligned with the Australian Government's Regional Investment Framework, to provide independent advice across three levels of government, and to maintain a board of community and business leaders are all directly fulfilled by the Regional Development Framework for Tasmania.

(b) Trilateral MOU with the Tasmanian Government

A formal three-way MOU between the Australian Government, the Tasmanian and RDA Tasmania would establish:

- Formal recognition of RDA Tasmania as the principal facilitator of a Regional Development Framework (Regional Activation Framework) for Tasmania, owned and auspiced by the Tasmanian Government.
- Tasmanian Government commitment to co-funding for program delivery, knowledge and insight development, and place based engagement and priority planning.
- Recognition by the Minister for Local Government of RDA Tasmania's role in the subregional dimension of the state-local government relationship, building on the March 2026 LGAT consultation agreement.
- Agreed data-sharing arrangements with Tasmanian Government.
- Alignment with the Tasmanian Economic strategy process, with RDA Tasmania's intelligence feeding into and drawing from TER and other relevant sources.

3.3 Core Functions of the Regional Development Framework (Regional Activation Framework)

Figure 3: Regional Development Framework (Regional Activation Framework) — Core Functions



Six core functions radiating from RDA Tasmania as the principal facilitator of the Regional Development Framework (Regional Activation Framework) for Tasmania, owned and auspiced by the Tasmanian Government.

Strategic Foundations: The Strategic Regional Plan for Tasmania and the Tasmanian Economic Review

A critical and often under-appreciated asset in any future Tasmanian regional development architecture is the existing Strategic Regional Plan for Tasmania. The Plan is already jointly endorsed by the Australian and Tasmanian Governments — developed under RDA Tasmania's Commonwealth Charter and aligned with Tasmanian Government strategic priorities. This dual endorsement is unusual: few strategic documents in Tasmania carry authority recognised at both federal and state levels. With targeted adaptation to reflect the six Functional Economic Regions, the 2026 machinery-of-government changes, and the priorities of the emerging Economic Strategy, the existing Strategic Regional Plan can serve directly as the future whole-of-Tasmania Strategic Plan under this new arrangement. The efficiency is material — a proven, endorsed document can be evolved rather than

a new plan commissioned from scratch, and the continuity preserves the intergovernmental legitimacy that a newly drafted document would have to earn from a standing start.

The Strategic Regional Plan must be underpinned by rigorous, independent evidence. The Tasmanian Economic Review (TER) is proposed to serve precisely that function: an independent intelligence product produced by RDA Tasmania that draws on an all-of-government knowledge base — ABS data, Treasury modelling, Jobs and Skills Tasmania labour market analysis, Building Tasmania infrastructure and population data, and Economic Development entity industry intelligence. The TER's independence is essential. It provides a credible, apolitical evidence base that both governments can draw on with confidence, and it resolves economic performance, capability and trajectory at the subregional level rather than relying on statewide averages that routinely mask the divergence between Tasmania's regions.

Critically, neither the TER nor the Strategic Regional Plan is a top-down product. Both are deliberately grounded at the place level through RDA Tasmania's continuous engagement across each of the Regions. Regional bodies, local government partnerships, and direct business and community engagement generate the qualitative knowledge, evidence and insight that ensures the aggregated data available at state and federal scale is ground-truthed against on-the-ground reality. This is the mechanism through which big data becomes useful data: labour market figures are tested against employer experience, population projections are reconciled with local housing and service capacity, and investment priorities are verified against community readiness and appetite. The six regions thereby feed a continuous evidence loop that directly informs regular updates to both the Tasmanian Economic Review and the Strategic Regional Plan — ensuring that Tasmania's principal economic intelligence product and its principal place-based strategic plan remain current, credible, and genuinely reflective of the regions they describe.

Subregional Economic Intelligence and Insight Capability

RDA Tasmania would develop and maintain six Functional Economic Region Profiles, updated annually and drawing on ABS data, TER findings, and Jobs and Skills Tasmania labour market intelligence. These profiles would characterise each region's competitive and constructed advantage – the existing economic strengths that can be leveraged, and the strategic capabilities that government and industry can deliberately build over time. This would serve as the principal evidence base informing state government priority-setting, investment allocation, and federal grant assessments in Tasmania, and directly support the Tasmanian Government's Regional Activation Plan development.

Subregional Strategic Plans (Regional Activation Plans)

Each of the six Functional Economic Regions would have a Regional Activation Plan (Subregional Strategic Plan), co-developed with the Tasmanian Government through structured stakeholder engagement, endorsed by the RDA Tasmania Board, and formally recognised by both governments as the primary place-based strategic framework for that region. Plans would align with the Australian Government's Regional Investment Framework, the Tasmanian Government's 2030 Strong Plan, Building Tasmania's Regional Activation Framework, and Tasmania's Economic Statement.

Government Interface and Program Alignment

RDA Tasmania would serve as the designated interface for both levels of government in translating economic priorities into subregional investment pipelines: co-investment attraction support alongside the Office of the Coordinator-General; identification of grant and program funding aligned to subregional priorities; and independent assessment capability for place-based funding programs.

Bringing Investment Partners to the Table

A critical function of the Regional Development Framework (Regional Activation Framework) is the capacity to convene investment partners at a scale where they can have confidence to commit to outcomes that are community priorities and align to State and federal strategies. RDA Tasmania's facilitation role positions it uniquely to bring to the table partners who would not otherwise engage at the scale of individual councils or communities: NBN Co and Telstra on telecommunications infrastructure aligned to regional growth priorities; the Australian Government on targeted regional investment, grant programs and place-based policy delivery; Government Business Enterprises (including TasWater, TasNetworks and Aurora) on infrastructure sequencing aligned to regional activation priorities; and private sector investors seeking the certainty that clear, government-endorsed regional priorities provide. The framework provides the governance structure and strategic legitimacy necessary to make these engagements productive and durable, and to attract a diversity of investment that community-level engagement alone cannot achieve.

Local Government Engagement and Capacity

Through six Functional Economic Region Advisory Panels and formal recognition under the state-LGAT consultation framework, RDA Tasmania would provide councils with a structured pathway to participate in state and federal economic planning, share data and intelligence, and collaborate on regional advocacy. This directly addresses the fragmentation risk inherent in Tasmania's 29 councils, many of which lack capacity for strategic economic analysis or government engagement at scale. The RAF structure ensures councils transition from competing individually for State attention to collaborating on shared regional priorities backed by clear State policy and investment pathways.

4. Alignment with State Economic Structures and Implementation

4.1 Relationship to the New Economic Development Entity

The new Economic Development entity will carry principal responsibility for Tasmania's economic strategy, investment attraction, industry development, and trade. The Regional Development Framework for Tasmania is designed to complement and support that entity, not to duplicate or compete with it:

- The Economic Development entity sets statewide economic strategy; RDA Tasmania translates those priorities into subregional implementation intelligence, identifying where investment will have greatest impact at a place-based level.
- RDA Tasmania provides the subnational data and community intelligence needed for credible, evidence-based representations to the Australian Government for regional investment and program support.
- Joint working arrangements between RDA Tasmania's CEO and the Economic Development entity's leadership ensure continuous alignment without compromising RDA Tasmania's independence.

4.2 Relationship to Jobs and Skills Tasmania

Jobs and Skills Tasmania (JST) is the state's lead agency for workforce development and employment services coordination. JST's Regional Jobs Hub network is already organised on a de facto regional basis that broadly mirrors the six Functional Economic Region framework. The Regional Development Framework (Regional Activation Framework) for Tasmania would formalise alignment between JST's regional infrastructure and RDA Tasmania's six regions, with JST contributing labour market intelligence to Regional Economic Profiles and RDA Tasmania's Regional Advisory Panels providing employer and community intelligence to JST program design.

4.3 Relationship to the Office of the Coordinator-General

The Office of the Coordinator-General serves as Tasmania's principal investment attraction and facilitation entity. The Regional Development Framework for Tasmania complements the OCG by providing subregional economic intelligence that contextualises investment opportunities and by maintaining local government and community relationships that facilitate smoother project facilitation. RDA Tasmania would serve as a first-tier referral point for investment enquiries with subregional dimensions, passing to OCG those with statewide strategic significance.

4.4 Relationship to Planning and the Economic Statement

The Tasmanian Economic Statement and the Planning system provide the strategic and regulatory framework within which economic development occursThe six Regional Activation Plans and Economic Profiles would be expressly designed to inform state planning priorities, feeding directly into Building Tasmania's Strategy and Planning function by identifying the land use, infrastructure, and enabling investment requirements of each region's economic trajectory. This creates a direct channel between community-grounded intelligence and the planning decision-making processes that determine regional development outcomes.

4.5 Why This Model is Right for Tasmania Now

Three conditions converge to make the present moment the right time to advance this proposal. First, the restructuring of the state service creates a genuine functional gap at the subregional level that the Regional Development Framework for Tasmania directly addresses. Second, the renewal of state-local government engagement frameworks provides both the political will and the institutional pathway for a more structured subregional engagement model. Third, the Australian Government's continued commitment to the Regional Investment Framework and the RDA program signals sustained federal investment in precisely the institutions and functions this proposal would make more effective.

RDA Tasmania is uniquely positioned to fulfil this facilitation role. It has the existing federal mandate, the cross-sectoral board composition, the established government relationships, the analytical capability developed through the Tasmanian Economic Review program, and the operational infrastructure to facilitate a Regional Development Framework (Regional Activation Framework) for Tasmania at scale — within a framework that is owned, auspiced and ultimately accountable through the Tasmanian Government.