

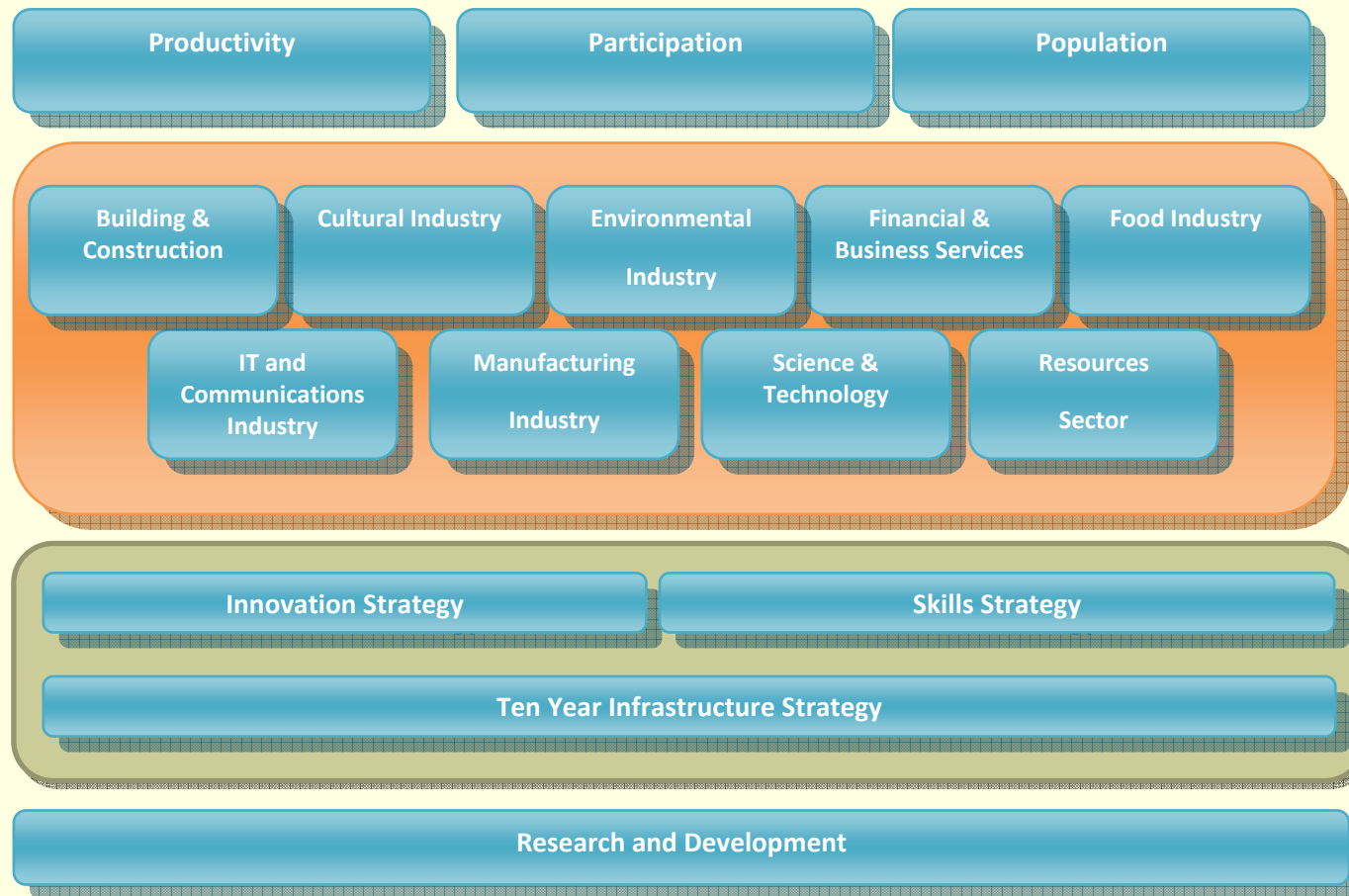
Tasmania's New Economy

- Tasmania has 10 years of strong economic growth
 - The total number of people employed in Tasmania has increased by over 41,000 or 21 per cent;
 - The number of people unemployed has decreased by over 12,000 or 54.0 per cent;
 - The unemployment rate has been more than halved from 10.5 per cent to 4.3 per cent;
 - Our population decline has been reversed with 23,000 more people living in Tasmania when compared to 1998
 - State final demand has increased by 38 per cent and most importantly business investment has increased by an amazing 76 per cent!
- Next ten years is about diversifying our economy
- Ensuring we extract as much possible value from our essential industries
- Central to a strong economy is an effective education system.
- Dealing with the challenges of climate change, demographic change and water and energy security.

Modernising Tasmania's Economy

- The time is right to develop a new economic direction for Tasmania to build on recent gains and deal with many challenges such as climate change, demographic change and energy and water security.
- Need to address the three P's: Productivity, Participation and Population
- A Modern Economic Strategy for Tasmania will be based on a commitment to innovation and skills development.
- The Government's economic direction will be underpinned by:
 - An Innovation Strategy;
 - A Skills Strategy; and
 - A Ten Year Infrastructure Strategy

Tasmania's Economic Strategy



3 September 2008

CEDA: A New Generation in
Tasmania

Innovation

- The AIRC recently released the first results from its Innovation Census
- Initial Findings from Census
 - Total number of firms surveyed was 2,807 with 1,591 responses across a range of industry sectors and firm sizes
 - Despite perceptions Tasmania is not a low-innovation economy
 - High proportion of firms earn revenue from new or significantly changed products
 - Although innovation is broad based across a range of industry sectors, the intensity of innovation is uneven
 - Proportion of highly innovative firms is low – relatively small group of firm accounts for most innovation sales and investment – role for Government to support small to medium size enterprises.

Innovation Strategy

- “Innovation is critical to advancing productivity and productivity underpins economic prosperity” – quote from AIRC
- The Government has commissioned the AIRC to develop an innovation strategy that:
 - Identifies those sectors of the Tasmanian economy with the greatest potential to grow through innovation and build long-term prosperity for the state;
 - Identify barriers and challenges to innovation in Tasmania;
 - Identifies where Government can contribute to closing gaps; and
 - Takes consideration of Tasmania’s unique characteristics.
 - The framework for the Tasmanian Innovation Strategy will be developed by December 2008 to guide the development of the 2009 Budget.
 - The final strategy and detailed initiatives will be available by August 2009

Skills Development

- Investment in Education: Early Years, Literacy and Numeracy, Post Year 10
- Tasmania has made significant progress in vocational and educational training, but there is still room to improve.
- Between Sept 1997 and Sep 2007 the number of apprentices and trainees in training increased from 5,595 to 13,260
- Number of traditional apprenticeships increased by 93 per cent over the same period, from 2,937 to 5,671
- Between 1998 and 2007, the total number of students in the public VET system increased by 50 per cent (from 29,000 to 43,900): and
- the total training effort by nearly one-third (from 6.8 million hours to 8.9 million hours)

Skills Development

- This Government is committed to Skills Development
- Recent initiatives include:
 - \$12.6 million for Skills for Growth
 - \$2.8 to support training in aquaculture, fishing and maritime industry
 - \$9.6 million to TAFE for additional trade training
 - \$1.8 million to increase workforce participation, lift skills base, increase productivity and address social and economic disadvantage
 - Establishment of Skills Tasmania

Skills Strategy for Tasmania

- Skills Tasmania is leading the development of a Skills Strategy for Tasmania
- Strategy will be finalised towards the end of this year
- Investing in the workforce of the future
- An appropriately skilled workforce is essential to taking advantage of innovation opportunities
- The Strategy is being developed in consultation with industry, training providers, peak bodies and government agencies.

Skills Strategy for Tasmania

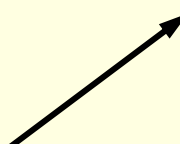
- Increase Participation in Work and Community
- Improve Adult Literacy Skills
- Improve Workforce Development
- Meet Industry Demand for Skills
- Skills for Innovation and Future Industries
- Deliver Responsive, High Quality Education and Training
- Build on Regional Advantage
- Attract Skilled people to Tasmania
- Attract and Retain Young People in Education, Training and Employment
- Increase Opportunities through Social Inclusion

What is participation in the labour market?

It's the proportion of the working age population, in work or looking for work.

Who are the people not in work or looking for work, and why?

50,000 over 70 years of age
45,000 domestic duties
20,000 students
*24,000 marginally attached
*6,000 interested in work at a later time



Who are these 150,000 not participating?	10,500 unemployed	236,500 employed
Not participating = 38%	Participation rate = 61.8%	
150,000 not in labour market	247,000 in labour market = those in work or looking for work	

Tasmania's working age population >15 years = 398,000

Tasmania's population = 496,000

Ten Year Infrastructure Strategy

- Need to renew existing infrastructure and invest in new infrastructure
- Ongoing investment in traditional infrastructure: roads, rail, ports, urban water and sewerage, electricity generation and transmission – Brighton Transport Hub, Tamar Valley Power Station
- New investment in clever infrastructure: irrigation to support new agribusiness, intelligent low emission transport, telecommunications, renewable energy
- The ten year infrastructure strategy will be lead by the Department of Infrastructure, Energy and Resources
- Will provide a whole of Government framework for infrastructure planning, but will also identify strategic opportunities for partnerships with the private sector