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## Council Members

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Leanne McLean	Paul Ranson	Brett Torossi

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In preparing this Final Report, we have had the benefit of considerable data and information from thousands of Tasmanians from all corners of the State.

Our thinking has been informed by:

- published and unpublished data and information available to us;
- our multi-faceted consultation program with Tasmanians, including a well-being survey that over 3 000 people participated in and a program of 12 workshops around Tasmania examining potential COVID-19 scenarios; and
- information contained in submissions to us and through our on-line feedback portal.

We have made available on our website ([www.pesrac.tas.gov.au](http://www.pesrac.tas.gov.au)) the submissions that we received during both phases of our work, and the outworking of our consultation processes. We have not sought to reproduce this information in this Final Report.

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The Council would like to thank the team that comprises our Secretariat in supporting us in our work over our two Phases, and the Departments that have made these people available to us.

Adrian Christian	Mark Bowles	Ilise Bourke	Sophie Buchhorn
Ben Goodsir	Kerry Hudson	Cameron McLennan	Nick Merse
Luke Murphy-Gregory		Sam Thiessen	

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## 1. How we got here

On 31 December 2019, the Wuhan Municipal Health Commission reported a cluster of cases of pneumonia in Wuhan, Hubei Province, marking the arrival of a novel coronavirus (COVID-19).

This set the world on a course that it was not prepared for. Like other places around the globe, COVID-19 has left an indelible mark on Tasmania and its people, and the longer-term ramifications are still to be worked through.

Tragically, 13 Tasmanians lost their lives to the virus in 2020. A great many more lost livelihoods due to the measures that had to be introduced to manage the virus' spread. Businesses have been closed and investment plans shelved. While jobs have returned since the low point in May 2020, there are 3000 more Tasmanians unemployed than there were in March 2020.

The social consequences have been widespread, and continue - a year on, families remain separated by international borders, schooling has been disrupted, marriage plans set aside. Some parents had to deal with losing their job or having much less income. At the same time, they were helping their children with home schooling. Social impacts have included drug and alcohol misuse, family, and community violence, increased situational distress, and widened socio-economic disadvantage through job losses and decreased community connection.

Some positives have emerged from the COVID-19 experience. Many of us quickly adapted to new ways of working and doing business. The tyranny of distance faced by some businesses has been mitigated by online business models. In many ways, COVID-19 has shone a light on the benefits of being in Tasmania and reminded us that it's easy to take some things for granted.

The Tasmanian Government acted swiftly to implement measures to suppress COVID-19, and deal with the immediate health impacts. Because of Tasmanians' willingness to act responsibly, those suppression measures have proven to be effective in managing the direct health consequences of the virus.

However, suppression measures here and COVID-19 impacts elsewhere have affected all Tasmanians.

Recognising this, on 30 April 2020, the Premier set up his Economic and Social Recovery Advisory Council (us) to provide him with advice on how best to support Tasmania's short, medium, and longer-term recovery from COVID-19.

In two months, we provided the Premier with an Interim Report, containing a package of 64 recommendations aimed at the short and medium-term recovery. The Government accepted all of them and is working through their implementation.

The Premier set us a second task. That was to leave the 'here and now' impacts and look over the horizon to the medium and longer-term. We have set that timeframe as 2 to 5 years.

Looking into the future to think about COVID-19 is a tricky task. There is a long way to go before the full consequences of COVID-19 will be clear.

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The future of the virus and the uptake and efficacy of vaccines will play a big role in determining the longer-term impacts of COVID-19.

A key uncertainty is the impact of the progressive removal of economic supports provided by the Australian Government, particularly income support measures ceasing at the end of March 2021.

We know that many Tasmanians are very concerned about these changes. For some, the additional income support has been life-changing, and returning to how things were pre-COVID-19 will create new hardship.

These uncertainties, and the future-oriented aspect of our work, meant that we had to take a different approach to that of our Interim Report. Rather than looking to data to guide our thinking, we have widely engaged with everyday Tasmanians.

What we have been looking for are practical measures that will assist Tasmanians to build their own future - not one that we have picked for them.

We have taken a whole-of-state approach to identify the priority areas, looking for the common themes across people, places, and sectors. We have focussed our attention on areas where there are gaps, rather than duplicating work that is already underway. Along the way, we have collected a wealth of rich information. We have made it all available on our website ([www.pesrac.tas.gov.au](http://www.pesrac.tas.gov.au)) for others to work with in looking at recovery in their own spheres.

Our recommendations have been built on what we have heard from Tasmanians through one of the largest listening exercises undertaken in recent years. Four strong themes emerged:

- creating new economic opportunities and linking people with them;
- making sure the health system remains ready to deal with COVID-19, and addressing mental health, food, and housing needs;
- building community connection and engagement; and
- increasing the focus on the environment and sustainability.



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## 2. Creating opportunities and linking people with them

One of the strongest messages we received was that building economic opportunity is a primary goal, because it will provide jobs, and getting people back into work is critical in heading off a range of negative social outcomes.

There is a great deal of hope and excitement among Tasmanians about economic opportunities in 'new economy' areas - the environment, renewable energy, and the circular economy - as well as areas that Tasmania has traditionally done well in, such as tourism, agriculture, and mining.

Major investments are important for driving opportunity, improving confidence and expanding opportunities for smaller business. We also heard about the importance of smaller scale niche opportunities that will be easier to progress than larger-scale developments.

While growing the economic pie has been a major theme, there has been an accompanying message that this needs to proceed thoughtfully - growing from within is important, rather than simply trying to compete with other places in attracting new businesses that don't understand Tasmania and its culture. The other clear theme is that major investments need to align with Tasmania's brand strengths. A key consideration put forward was the importance of not trading away Tasmania's environmental values in pursuit of shorter-term economic opportunity. We agree.

We think more can be done to help projects get from the drawing board to shovel ready. Investing in better and more transparent facilitation processes and a sharper focus on the timely progress of permitting and authorising activities are ways of making it easier for investment to be undertaken without cutting any important checks and balances. It's not about lowering standards to secure new opportunities, but getting timely decisions using transparent processes, and building a culture of engagement and collaboration with developers.

### **Major Investments**

Protecting sustainability, community values and Tasmanians' well-being must continue to be at the forefront of regulatory activity.

Approval and permitting processes should be resourced to deliver timely outcomes.

Enhancements to project facilitation resourcing and processes are needed.

Agency heads should drive and be held accountable for a public sector-wide culture that proactively engages with major investment proponents.

But building economic activity is only part of the story. There's little point for Tasmanians in a growing economy if it doesn't deliver jobs and income for them. This means we need people to have the right skills for new opportunities, and we need to get people into the new roles.

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We need our young people to be better prepared for work while they are at school and to have strong pathways between further education, training and work.

### **Skills, Schools and Youth**

The *Year 9 to 12 Project* Vocational Learning elements should be finalised and implemented in strong ongoing consultation with industry. Their implementation should be funded.

In relation to skills, we received a strong, consistent message that TasTAFE is critical in delivering the training needed to fill existing and new employment opportunities. We equally heard that under its current framework, TasTAFE can't keep up with what Tasmanians need, despite its efforts to date.

We agree on both fronts.

Tasmania's young people entering the workforce, and those already engaged looking to upskill or re-train, need TasTAFE to deliver the skills required by Tasmanian businesses. Otherwise, they face the prospect of investing their time and money into training that business doesn't value, and the pathway to new job opportunities remains blocked.

TasTAFE needs to be a lot more like its clients - flexible and adaptable to meeting emerging needs. It simply can't do that now. That's why we are recommending re-establishing TasTAFE as a government business with the same operational flexibility as other key economic infrastructure providers, operating at arms-length from the Government outside the Tasmanian State Service.

### **Skills and TasTAFE**

TasTAFE should be re-established as a government business under the control and accountability of its Board, with authority and power to employ its workforce under the *Fair Work Act 2009*.

Industry bodies (associations and employer representatives) should enter into industry compacts with the State Government that includes 'step-up' commitments to support a re-established TasTAFE and better promote the availability, attractiveness and benefits of jobs in their industries

In relation to matching Tasmanians who want to work with appropriate jobs, we heard that the Australian Government's jobactive system just isn't working. A top priority for recovery is getting people that have lost work, or are underemployed, into work. Attention can then shift to young job seekers, to help address the structural problem of youth unemployment.

This is going to require the State Government to step in with both feet, building on the success of recent pilot schemes in Tasmania that take a much more person-centred approach to matching people with jobs. We are calling for the establishment of *Jobs*

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*Tasmania Local Networks* across the State. The *Local Networks* would provide the financial and service support that local communities need to be able to tackle the barriers that exist at the local level.

### **Job Matching**

A State-wide set of *Jobs Tasmania Local Networks* should be established to undertake place-based job matching, coaching and referral services.

## **3. Health, Mental Health and Housing**

Jobs and income emerged as highly important themes, but Tasmanians told us that health is their number one priority, for their general well-being and for recovery.

The main physical health issue raised in relation to COVID-19 recovery is making sure the health system is properly resourced to deal with outbreaks. The Government has accepted all the recommendations of the review into the outbreak in North West Tasmania, which aim to prepare the system for further outbreaks. We are calling for routine updates on actions taken.

We are all keen for life to return to 'normal', albeit in a COVID-safe way. People want to be able to return to visiting family interstate, and to be able to resume business and leisure activities that involve us moving around the country.

A key ingredient needed to help people and businesses plan for a COVID-19 future is being able to understand the approach that will be taken by governments to manage outbreaks. We think more needs to be done by the Government to explain the basis for imposing and removing restrictions.

### **Communication and Confidence**

The State Government should better communicate with Tasmanians about its COVID-19 management strategy (including how any future outbreaks will be handled); and provide regular updates on the initiatives to prepare the State's health system response to future COVID-19 outbreaks.

We heard a lot more about mental health than physical health in our consultation. Situational distress was exacerbated by COVID-19, and this is expected to increase in the future. The mental health system is complex, and for people that are experiencing distress for the first time, it is difficult to find the most appropriate service and help. We are calling for more effort in this area during recovery - telephone-based services, online resources, and face-to-face connection.

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## **Mental Health**

The State Government should: finalise, fund, and implement its Mental Health Plan (*Rethink 2020*) as a matter of priority.

The State Government should fund telephone and online services to assist people navigate the mental health system so that they can access the right service quickly. It should implement a mental health Youth Peer Worker model.

Access to nutritious food and suitable housing are key supports for being healthy. Tasmanians are worried about both. They are concerned that this will become more problematic if economic and social recovery is slow.

## **Food Security**

The State Government should ensure that the Food Security Strategy currently being prepared expands on recent trials of school lunch provision, is linked to local agricultural and hospitality businesses, and is 'scaleable' and place-based in design, so that any potential increase in demand for emergency food relief can be managed.

COVID-19 has reinforced the importance of appropriate housing for Tasmanians. 'Stay safe: stay home' is only meaningful for people who have a safe and secure residence. The successful management of COVID-19 depends on everyone having a safe home where they can self-isolate if needed. For some Tasmanians this exacerbated their concerns about the stability of their living situation.

Tasmania's housing markets were becoming increasingly dysfunctional prior to COVID-19 and the pandemic hasn't fundamentally changed that other than to exacerbate it. The current national and state-based housing stimulus measures, while good for boosting short-term economic activity, are not necessarily good for building costs and home affordability (we flagged this in our Interim Report).

Housing policy in Tasmania tends to focus on the crisis point. This should always be a focus for Government, but a broader approach is required to address the structural issues that will make Tasmania's housing markets function better.

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## **Housing**

The State Government should develop a comprehensive Tasmanian Housing Strategy and drive practical actions to deliver more sustainable housing market outcomes for all Tasmanians.

## **4. Community - connection and engagement**

COVID-19 has reminded us of the importance of community connectedness and engagement. This was another strong theme in our consultation. We heard much about need for face-to-face connection in recovery as well as the barriers to people connecting online.

COVID-19 has delivered a step-change in the use of online approaches for many aspects of our everyday lives - education, working from home, connecting with loved ones, shopping, accessing health services and even accessing basic government services. There is no going back in the evolution of online approaches, and COVID has kicked up the pace.

Many of us have benefited from these changes but Tasmanians that lack access to equipment or infrastructure, or do not have the necessary digital literacy, have fallen further behind. Tasmania's digital divide was well known prior to COVID-19, with the gap between the 'haves' and the 'have nots' only being widened by it.

The digital divide needs to be genuinely tackled by the State Government.

## **Digital Infrastructure and Inclusion**

The State Government should take an active role in strengthening Tasmania's digital infrastructure, particularly in our regions.

The State Government should set clear whole-of-government Key Performance Indicators (KPIs) for closing the digital divide (with a focus on affordability, access, and ability) and provide funding to address the KPIs.

Another strong message was the desire of communities to be involved in designing and delivering recovery approaches. The approach taken by the Government in the immediate management of COVID-19 to genuinely engage at the local level and respond in a timely way has cemented this expectation.

In developing recovery mechanisms, the Government and its agencies should start by actively looking for opportunities to apply place-based approaches. This starts by involving target communities (people, sectors, or places) in co-designing approaches

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to recovery, and then considering how they can operate flexibly to address differing local needs.

In return, the community needs to 'turn up' and take part in the process (as they certainly demonstrated in our processes), and there needs to be a pipeline of willing and appropriately skilled community leaders who are involved. We are recommending that the Government establish an ongoing scholarship funding pool to financially support community leadership training to develop future leaders.

We heard about the importance of community engagement, and the opportunities that community-based events present, both in a social and economic terms. We heard about the difficulties that community organisations can have in getting these initiatives off the ground because of the risk of disruption from COVID-19 restrictions. There is a role for Government to underwrite COVID cancellation risk to support the return of community-based events.

### **Community and Place-Based Recovery**

The State Government and its agencies should develop recovery approaches by actively looking for place-based opportunities.

The State Government should financially support leadership training for individuals that have demonstrated involvement in their local community.

The State Government should support community-based events by sharing COVID-19 risks.

## **5. Sustainability and the environment**

The last major theme emerging from our consultation is the importance that Tasmanians place on the environment and the view that it is imperative that the State builds its sustainability credentials. Tasmanians told us that the environment is essential for their health, well-being and for their leisure. They also recognise that it's central to the State's economic prosperity.

Tasmanians told us that we can't rely on the sustainability 'head start' we have relative to other places thanks to our natural environment and history. Decisive action is needed across a range of fronts to build Tasmania's sustainability credentials. The world is paying much closer attention to environmental sustainability credentials aligned with the United Nations Sustainable Development Goals, and other places are stepping up efforts to become more sustainable. If we are to keep a competitive edge, we too need to move our goalposts.

The collective message we've heard is that Tasmanians are looking for a public articulation of a vision to address the challenges of climate change, living sustainably, creating a stronger Tasmania for future generations, and showcasing our values to the world.

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The task now is for the State Government to articulate that vision and to develop a broad-based strategy that brings that vision to reality for, and on behalf of, Tasmanians.

The vision and strategy need to set the short, medium, and long-term agenda for sustainable economic, social, and environmental growth, with ambitious goals and measurable targets, and concrete actions to deliver the targets.

But the task is much wider than this. It is important that Tasmanians adopt a culture of continuous improvement and innovation in relation to their environmental footprint, in their own lives and in their businesses. This will require some candid self-reflection and ambitious shifts in thinking around the environmental impacts of our economic and social activities, and how we can improve individually and collectively.

### **Environment and Sustainability**

The State Government should develop a sustainability vision and strategy for Tasmania, with ambitious goals and concrete targets and actions.

The strategy should have a strong focus on environmental considerations. It should include wider aspects of sustainability including social factors and ensure decisions account for the interests of future generations.

## **6. Our public sector institutions**

As we said in our Interim Report, the task of COVID-19 recovery is one for all Tasmanians. Nonetheless, we recognise that our State-based public sector institutions - the State Government, the government businesses sector and local government - will shoulder much of the load. Each needs to have the capacity to support Tasmanians in the recovery effort.

The ability of our public sector to rapidly respond to emerging needs is vitally important, given the uncertainty over how COVID-19 might manifest in the future. Regardless, Tasmanians are calling for, and deserve, a well-functioning and effective public sector that is focussed on them.

This is why the work currently underway through the Watt Review is important. We support his Interim Report recommendations, and his final report, due in May 2021, will be central in shaping the future of the State Service to ensure that it is fit-for-the-future and better able to meet the needs of Tasmanians.

The community sector is the State Government's service delivery partner, particularly in fields that are central to the COVID-19 response. This partnership has been key to the success of the emergency response to-date and supporting the ongoing wellbeing of Tasmanians from all walks of life. Over the longer term it is important that community organisations have a funding and contracting environment that supports their ability to best respond to evolving community needs.

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## **Community Service Funding**

The State Government should review funding models for community service organisations to enable flexible service delivery focussed on place-based demand, to ensure they remain viable in the face of increasing costs and changing demands.

COVID-19 is not the only low probability high consequence event to befall the State in recent times, coming relatively recently after the 2016 energy crisis. Both events were not 'black swans'. Although of low probability, they were predictable. In both cases, they developed into a crisis because the State was not prepared.

Fortunately for Tasmanians, the Government, its agencies and recovery partners were able to quickly devise and implement strategies to deal with emerging issues.

The Government needs to build on the lessons of COVID-19, develop a structured process for identifying high consequence risks to which the community is exposed, and develop and implement mitigating strategies for each of them. Some of this work is already reasonably established (eg. natural disasters), but for other risks there is a long way to go.

## **Planning and Preparation**

The State Government should develop a structured process for identifying high-consequence risks to which the community is exposed and develop and implement mitigating strategies for these risks (including identifying and testing surge capacity arrangements.)

The role of government businesses in recovery is important, as they are core providers of the State's infrastructure. Tasmanians, as the ultimate owners of these business, need them to be focussed on whole-of-State strategic outcomes, because that is what will make a difference in their lives. This is going to require strong leadership from the State Government to transparently establish these priorities and hold Boards accountable for delivering against them. We have suggested that changes to the governance model could provide a clearer path for this to happen.

## **Government Businesses**

Government businesses should focus on whole-of-state priorities during recovery. The government business governance framework should be revisited to enable the government of the day to set binding whole-of-state strategic priorities.

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In relation to local government, we have heard much about place-based approaches and the important role that local government will play as a recovery partner. For it to do this, the sector needs to be resilient and sustainable. Currently some local governments are not. The longer-term outlook for the whole sector is troubling and the case for reform is well understood.

The current approach to addressing the sustainability of the local government sector is piecemeal and based on voluntary incremental change. This has proven to be ineffective. Tasmania faces a stand-off on local government reform, with no political party being prepared to 'risk' taking on reform. That stand-off must end.

That is why we are calling on the Parliament to sponsor a process to drive structural reform from a 'clean sheet' perspective. Parliament should set the terms of reference for the process, which would be undertaken by an expert panel, and run for about 18 months. In starting the process, Parliament should signal the expectation it will deliver an outcome that sees fewer local government areas with a wholesale reconsideration of local government boundaries; and centralisation of some operating activities to achieve genuine scale. Parliament should make it clear that the outcome will be implemented without material modification.

### **Local Government Reform**

The Tasmanian Parliament should sponsor a process to drive structural reform to Tasmania's local government sector.

## **7. Stepping back**

Some 3500 Tasmanians have been involved in our consultation processes.

We have listened to what Tasmanians consider important for their own well-being. That's why our recommendations are based on the well-being pillars of jobs, income, health, housing, community, and the environment.

We sat with people from business and community sectors in workshops and sought their insights into the 'on the ground' consequences, constraints and opportunities that they could face if COVID-19 takes a relatively 'good' path, and what it might mean if things don't turn out so well. We asked them to identify the best opportunities that emerged from those workshops.

We have taken that work and come alongside people from regional Tasmania to test what resonates from a regional perspective, because we know there are differences for regional Tasmania relative to our urban and city areas.

We also considered over 150 traditional and short-form submissions made to us by individuals, peak groups, and businesses.

Our recommendations reflect the priorities that emerged from this comprehensive listening exercise.

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Tasmanians are calling for better approaches that give everyone a better chance of success in areas like preparing for work, getting a job, and navigating the digital world. These are at the heart of our recommendations, which aim to promote recovery, resilience, and opportunity.

Even if Tasmania remains fortunate enough to avoid the worst of COVID 19, there will be other shocks and challenges facing the State in the future - natural disasters, geopolitical tensions and uncertainty in global trading conditions for instance. Our recommendations will fortify Tasmania's capacity to withstand future challenges, COVID-related or otherwise.

Just as it took all of us working together to 'flatten the curve', it will take a whole-of-Tasmania approach to recover from COVID-19's impacts.

The Government must lead but cannot shoulder the whole responsibility for recovery. Every Tasmanian has a part to play in the recovery from the pandemic and in building a better Tasmania. Our consultation has reinforced that Tasmanians have a willingness for this task. Our recommendations are not just for the State Government, they are for all Tasmanian organisations and our community.