



Message from the Minister

This latest *Industry Development Plan* is markedly different from previous editions, shifting emphasis from reporting the progress of the plan to focussing on future opportunities for economic prosperity.

In many ways this is a natural evolution for the *Industry Development Plan*. Its introduction in November 1998 came on the back of a decade that produced the worst relative economic performance in Tasmania's history. Reporting progress was important initially, but results have already been delivered that underpin the state's future.

Industry development and growth in any modern economy is reliant upon a clear, effective strategy

that generates strong business and community confidence. Tasmania is enjoying the benefits of that approach.

A focus on competitiveness and securing significant investment, particularly infrastructure investment, has delivered a strikingly different Tasmanian economy to that experienced last decade. Tasmania is once again a growth economy in line with the nation and our state has not only turned the corner but is outperforming the rest of Australia across a range of important indicators.

To not only be experiencing strong population growth, but also net interstate migration gains seemed unimaginable just a few years ago. This is combined with record levels of job creation and demand for Tasmania's goods and services that are exceeding national growth.

Now is a very good time to look with confidence at Tasmania's future.

Lara Giddings MHA
Minister for Economic Development

Tasmania's Economic Strategy

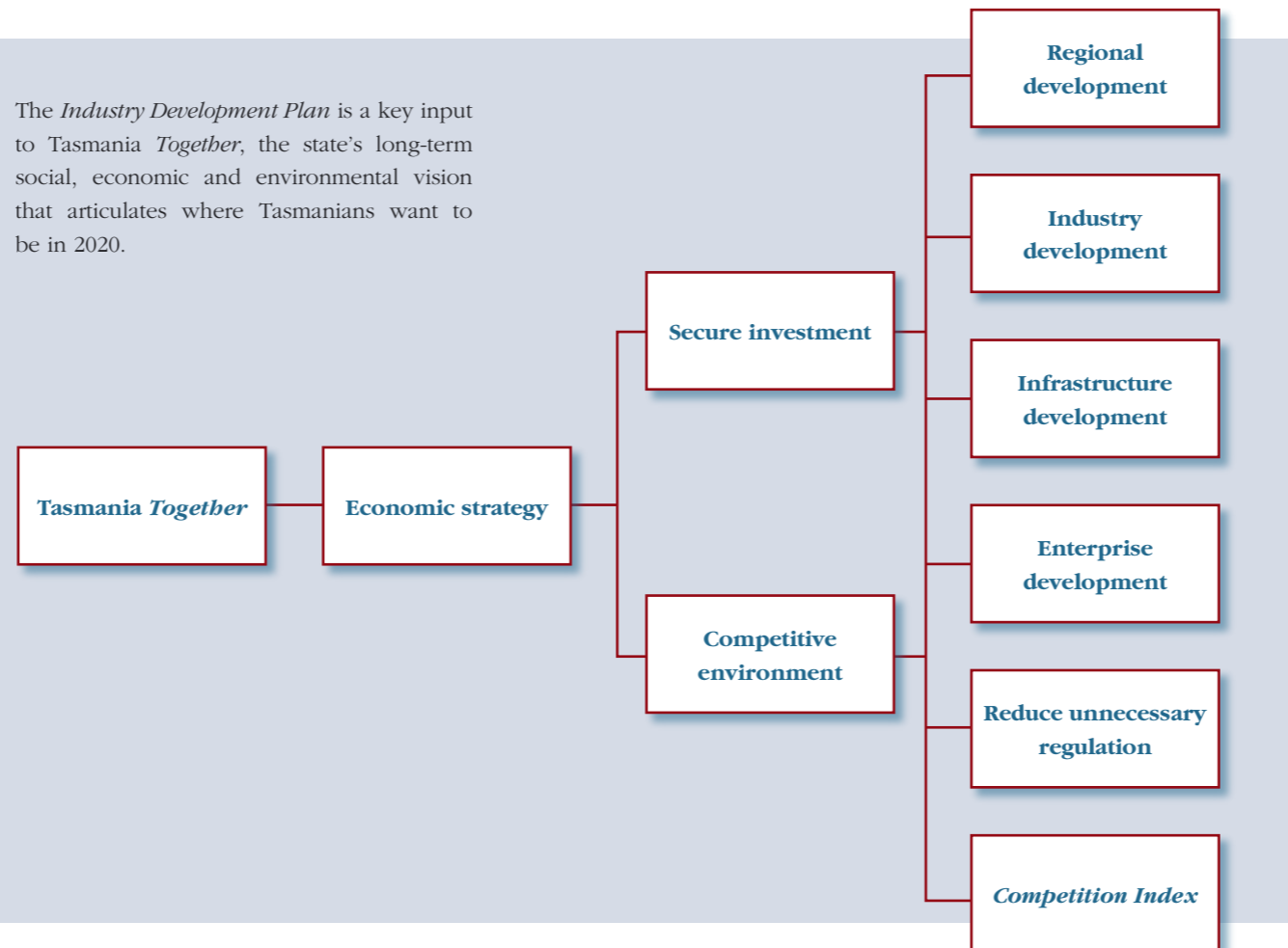
The Tasmanian Government's strategic approach to increasing demand involves two key strategies – creating a new business environment and securing significant investment.

Creating a more competitive business environment

Having a competitive business environment relative to the rest of the nation is critical to sustainable growth. A competitive business environment involves:

- measuring/addressing cost aspects impacting on competition (*Competition Index*)
- promoting business enterprise development
- reducing regulation and eliminating unnecessary regulation
- securing significant infrastructure developments.

The *Industry Development Plan* is a key input to Tasmania *Together*, the state's long-term social, economic and environmental vision that articulates where Tasmanians want to be in 2020.



Tasmania is creating a more competitive business environment by:

Promoting enterprise development

Delivering government programs – eg Fast Track Skills Initiative, Enterprise Centres, Business Point, Business Licence Information Service (BLIS), New Market Access Program

Supporting Industry Councils

Reducing regulations

Enforcing the National Competition Policy

Benchmarking competitiveness through the Competition Index

Response to Competition Index – skilled labour force focus

Improving infrastructure

Providing a skilled labour force

- Attract, build and retain skilled labour force - State of Learning, Response to Competition Index initiatives, Fast Track Skills etc.

Encouraging knowledge and innovation

- Commercialisation Programs, Tasmanian Innovations Program, i-cubed network, research and development etc.

Providing competitive energy

- Basslink, natural gas, wind, hydro

Improving transport and freight services

- Transport strategy, competitive rail, road, air and sea transport, Regional Integrated Transport Plans, Freight Equalisation Scheme, Bass Strait Passenger Vehicle Equalisation Scheme

Improving information and communications technology (ICT)

- Broadband Action Plan, fibre optic backbone, Basslink cable, scoping study for fibre to the door.

Securing significant investment

Continued investment is vital to encouraging strong growth in the Tasmanian economy. Key elements in securing significant investment are the promotion of:

- infrastructure
- major projects
- regional development
- industry development.

Tasmania will continue to build on high levels of private and public investment through:

Infrastructure development

the Government's Economic and Social Infrastructure Fund encourages investment in infrastructure. For example:

- wind farms
- gas
- Basslink
- Spirit of Tasmania ships

Regional development

Regional Economic Development Investment (REDI) Plans and the Statewide Infrastructure Plan (SIP)

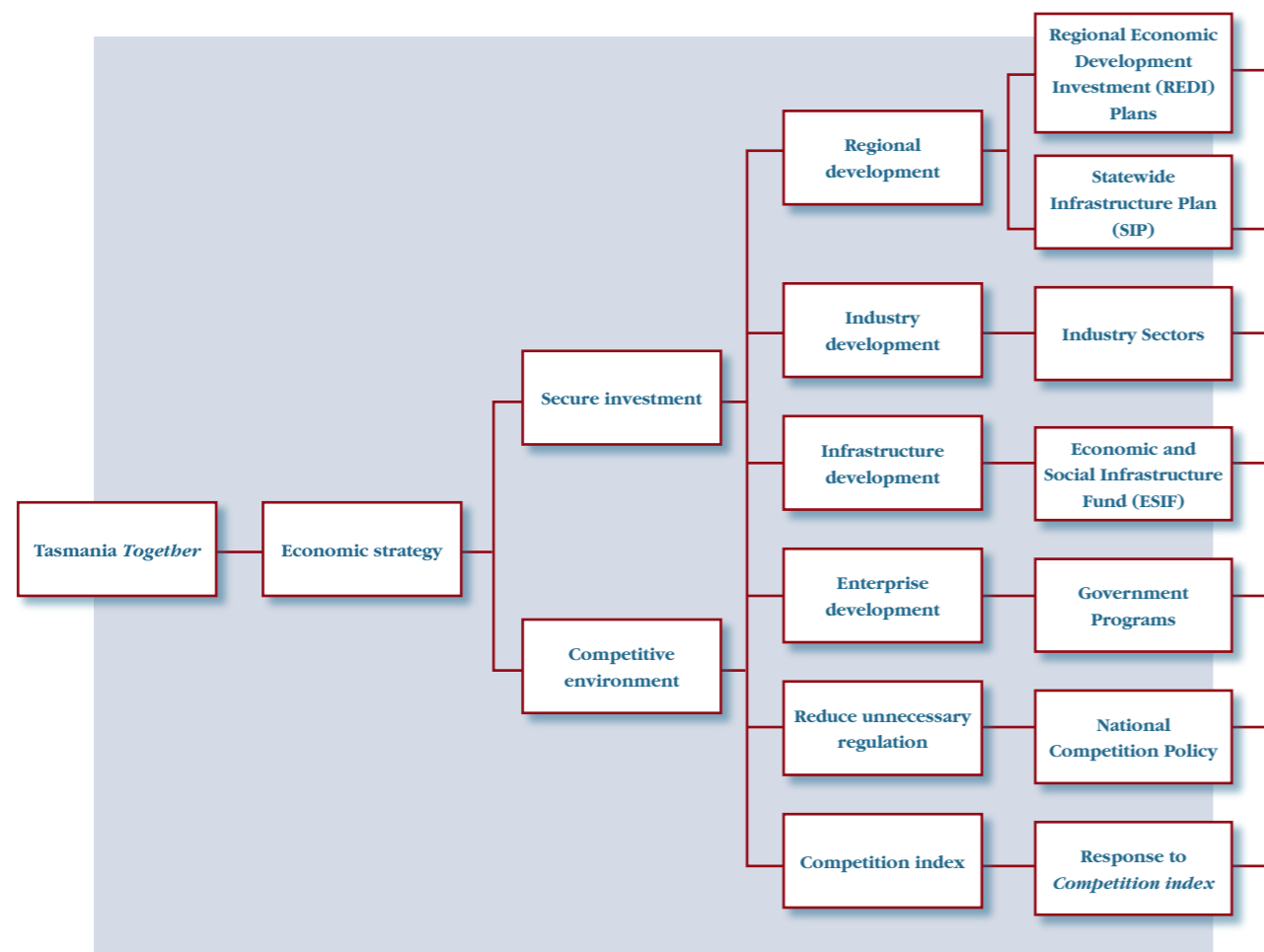
Industry development

Identify future growth across range of industry sectors eg the Likely Future Industries Project focuses on:

- development opportunities linked to pulp mill
- pharmaceuticals from natural resources
- export of education services
- telecommunications strategy for industry.

Progress a range of initiatives across industry sectors including:

- Tourism Development Framework
- Tasinformatics Centre of Excellence
- Tasmanian defence procurement project
- raising image of manufacturing
- heavy/medium engineering and manufacturing network.



Copies of the *Industry Development Plan 2005* are available at www.development.tas.gov.au.

For further information, contact the Department of Economic Development's Business Point Hotline on 1800 440 026



investing in success

2005

Industry Development Plan 2005

Increasing the demand for goods and services produced in the Tasmanian economy is the key principle behind the state's economic strategy.

This is not only important to major enterprises, but vitally important for continued growth of Tasmania's small and medium sized businesses.

In terms of demand for Tasmania's goods and services, about 20 per cent comes from overseas, 30 per cent from interstate and 50 per cent from within the Tasmanian domestic market.

Tasmania's economic strategy, expressed through the *Industry Development Plan*, is about increasing demand in all three areas.

