

Legislative Council Select Committee

Growing Tasmania's economy

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Tasmania is an island of difference. Its people are resourceful, applying the kind of creativity that arises from geographical isolation to their business activities, innovative ideas and artistic endeavors.

We can benefit from the geographical location of Tasmania as it's what sets us apart from other states. We have a beautiful island state which has been acknowledged at the recent Tourism Awards and with the amazing impact of Mona we are coming into a wonderfully revitalized period in our State history. Tasmania is a destination, rich in agriculture, specialty retail shopping, fresh produce and cutting edge eateries. The greatest number of which are built upon small business.

97% of all Tasmanian businesses are small businesses¹. The small business community is potentially the largest contributor to the State's economic wealth and it is for this reason that the small business community is a key driver in Tasmania's future economic growth.

The focus of this submission is on *community*. Adequately supported local business can be among the strongest contributors to social equality and sustainability in their community.

A paper prepared by South Australia's Centre for Economic Studies (SACES) suggests that the best results for economic growth occur when local communities are assisted to develop local assets, using local players. SACES Executive Director, Associate Professor Michael O'Neil said "We know that good economic development flows from assisting local people to make the best use of social, economic and environmental resources in the local area,"

Professor O'Neil said some two-thirds of additional investment in local and regional economies comes from existing local business and new start-ups by local people.

"Local Government and regional bodies have an instrumental role in designing and implementing 'bottom up' development strategies and facilitating 'place based' solutions," he said.²

Tasmania as a region can benefit from the learnings of this paper by applying the principals of community economic development. Community economic development encourages using local resources in a way that enhances economic opportunities while improving social conditions in a sustainable way.³

What makes for an internationally competitive framework in retail, hospitality, tourism? The key is what these three industries have in common. They are service based industries. Service based industries must provide good service to thrive. Good service comes from good people and good people come from thriving communities.

¹ Source: https://www.business.tas.gov.au/_data/assets/pdf_file/0007/6991/Small-Business-Stats-Update-April-2015.pdf

² Sources: <http://alga.asn.au/?ID=11612> <https://www.adelaide.edu.au/saces/>

³ Source: http://en.wikipedia.org/wiki/Community_economic_development

Future economic sustainability & growth

There is great relevance between small business success and future economic growth in Tasmania. Importance must be given to the future of small business and the challenges that may impede such success.

Almost one third of small business operators in Tasmania are aged over 50.⁴ With an aging population and one third of small business owners soon to reach retirement age, training and encouraging our young people in regional Tasmania is more important than ever. Tasmania needs community and social development to sustain small business into the future.

The typical profile of a small business owner describes common traits:

- ✓ Entrepreneurial
- ✓ Problem solving skills
- ✓ Determination
- ✓ Resilience
- ✓ Community minded
- ✓ Independent
- ✓ Active members of the community
- ✓ Encourage and support other small businesses
- ✓ Socially connected
- ✓ Environmentally aware
- ✓ Self sufficient
- ✓ Good work ethic
- ✓ Willingness to 'give it a go'
- ✓ Hard working

The aim, with economic outcomes in mind, is to encourage these traits in the community through community initiated projects. In order to develop self-sufficiency in communities, they need to drive their own success. This is achievable when provided with support networks to encourage community initiative. Small businesses have a strong connection with their community and are somewhat aware of community obstacles, challenges and needs. By working in and with the community to develop community initiated voluntary projects, many community problems can be solved and many benefits can be gained. People can learn new life skills, become socially connected, community minded and learn problem solving skills, become environmentally aware, build confidence by 'giving it a go'. All of which are traits of successful small business owners.

Regional areas in particular, hold many opportunities to develop community involvement by way of ongoing community projects.

The risk of smaller business dying out is detrimental to the Tasmanian economic growth. This becomes evident in the following example;

In the meat industry the training of qualified tradespersons in butchery and smallgoods will only take place within the small business sector at an independent retail butcher shop. This is due to major supermarkets indicating that they will no longer be training apprentice butchers to Certificate III level (the trade qualification). The future of butchery relies solely on small business.

⁴ Source: https://www.business.tas.gov.au/data/assets/pdf_file/0007/6991/Small-Business-Stats-Update-April-2015.pdf

Solutions and drivers of economic growth

How communities deal with change depends not only on the “delivery” of services, the maintenance of infrastructure and economic development. It also relies on local people using assets in new ways, working cooperatively, improving networks, mobilising existing skills, and putting innovative ideas into action.

The outcomes are not only jobs, income and infrastructure but also strong functioning communities, better able to manage change. Successful processes of community development involve not just funding, attracting new employers, or new infrastructure. Passion, enthusiasm, commitment, small visible successes, inventiveness and cooperation collectively drive self-directed development.

While there is a wide range of funding and support services available, few communities can access them easily. Many communities find it difficult to know what is available, to determine what suits them best, to understand information and services which are often in a form that is not meaningful or appropriate for them, and many application and communication procedures are complex and lengthy.

Communities need access to key individuals - “community allies” - with small business expertise and community trust. Access to networks often with other communities has also allowed communities to gain new ideas, build confidence and accelerate local initiatives.

It is often the case that small business or community leaders can identify appropriate initiatives for the betterment of their community and for developing Tasmanian economy. However often times these leaders with the ideas can communicate them and build support but they fall flat because of a lack of Administrative Assistance ie getting the ideas on paper and in the format required to progress the ideas further. People have their own support mechanisms around them including family and friends who all contribute on a voluntary basis and do their best but to progress things further however another level of support is required.

A small pool of government funds set aside for ‘*Admin Assist*’ would be well invested. It could provide the early support for sound community projects which would further our clean green credentials. Suitable Projects could include for example pure food production or renewable energy which would also help disaster proof Tasmania.

Vision of what Tasmania can become

A State that really values the **small business contribution** to employment, training and the community.

Tasmanians understand that by making a conscious informed choice to **buy local products and services** our communities will prosper.

A State that has **established infrastructure** to assist small and micro enterprises identify their products.

A State that is really **environmentally aware** of our natural beauty - rather than buying chemicals from conglomerates.

A State that encourages towns to be basically **self sustaining**, can produce their own food, recycle to enrich to soil, dispose of their own rubbish - this means that many people (perhaps otherwise unemployable) gain self esteem from contributing to their **community**.

Our schools are beacons to the rest of the community. Its where kids, teachers and our University work together and are incubators for **life skills and problem solving**. Where ingenious solutions are found to **solve community problems**, including disaster preparedness from extreme weather events or natural disasters.

A State that **utilizes and promotes our unique community life** as a draw card for others who wish to visit or to relocate here. As the rest of the world experiences much which destroys the human spirit we can respond by preserving and enhancing our way of life.

We already rate highly in world best practice for **renewable energy** through Aurora lets encourage this further and model to the world what leaders we can be in small scale renewable energy production that will **disaster proof our communities** in times of wild weather or fire devastation.
