COVID-19 RESPONSE

# PREMIER'S ECONOMIC & SOCIAL RECOVERY ADVISORY COUNCIL

## Workshop 3

## Tourism, Hospitality, Heritage & Culture

# Introduction

We are living in uncertain times.

Looking ahead and planning for our future is more difficult than ever before.

Understanding the complex health, economic and social challenges Tasmania might face over the next five years requires new approaches and bold thinking. Faced with circumstances few of us imagined possible, we need to think differently and plan for multiple possibilities.

PESRAC has undertaken broad consultation, drawing on the knowledge and ideas of experts, business people, community leaders and everyday Tasmanians in planning for our future.

PESRAC has developed two potential future scenarios to get Tasmanians thinking. The scenarios are stories of how COVID-19 might play out over the next three years for use as a tool for creative thinking. They are not predictions, or expected outcomes. (Attachment 3 - the scenarios used in the workshops)

The scenarios were used as part of a process to gather ideas from Tasmanians about potential economic and social recovery strategies in the context of a very uncertain future.

This process involved nine workshops across the State to facilitate creative thinking around potential:

- consequences and constraints of COVID 19 over the next 3 years; and
- recovery opportunities that could be implemented and delivered within the next 5 years.

**Workshop Participation**

Peak bodies and networks were approached and asked to suggest people to participate in the workshop. They were asked to nominate people that have relevant expertise and knowledge, are creative thinkers, and do not normally have the ear of government.

The participants who attended this workshop are detailed in Attachment 4.

**Key Purpose of Workshops**

The participants were informed that the key purpose of the workshop was to identify potential recovery opportunities that could be implemented and delivered within the next 5 years by governments, businesses and the community - noting that recovery is a community responsibility not just a responsibility of governments.

**Workshop Methodology**

The workshops were held over a three hour period, and were based on a 'creative thinking' methodology developed by the University of Tasmania, referred to as "Stretch Thinking".

The methodology has been applied for considering COVID recovery in Western Australia and nationally, and in a range of disaster recovery and resilience applications by the public and private sectors. More information on the process is available on the PESRAC website.

Participants were provided with briefing information prior to the workshops to enable the workshops to quickly move into the "Stretch Thinking" process. A key foundational piece was the two scenarios (these are detailed in Attachment 3).

A facilitator guided groups of participants through the 'Stretch Thinking" process that involved identifying potential consequences, constraints, and opportunities associated with the two scenarios. Attachment 2 captures this discussion by participants during the workshop.

Having identified a range of potential opportunities under two scenarios, the groups of participants were asked to identify the 'best' or 'key' opportunities their workgroups identified, and these were presented to the whole workshop.

The last task was for all participants to individually identify which of the entire set of opportunities identified within the workshop were the 'best' opportunities (they were entitled to vote for as many opportunities as they liked).

Attachment 1 provides a summary of the key potential opportunities identified in the workshop. Those opportunities do not reflect the views of PESRAC or the Secretariat, rather, they give a 'sense of the room' from participants as to what opportunities are considered of a higher priority from all of those identified in the workshop.

# Attachment 1: Summary of Key Recovery Opportunities

## An Arts-led Recovery

- Become a global case study in arts-led recovery. There is a raft of research that demonstrates that the involvement of (appropriately trained) artists with at-risk cohorts (e.g. disengaged youth, older people) delivers materially improved social outcomes, and curtails otherwise required larger expenditures on managing the consequences of dis-engagement (e.g. mental health services, justice services, family support services). It improves health and wellbeing through culture. This is a model already researched and proven to work elsewhere. This is in line with Tasmania's current 'cultural brand' advantage. This could be funded through social impact bonds (models already exist in Australia and elsewhere), and bring into the sector funds from investors (rather than Governments). It would require 'kick-start' funding and support from Government in the first instance. In a jurisdiction as small as Tasmania, the 'at risk' cohorts are well known and easily identified.

## Tasmanian Brand

- 'Premium-ise' the Tasmanian brand - people will want to come here, recognise what we have and seek for people to pay for the privilege to access it. Tasmania is not 'for sale'. Encourage super high value at premium end, though a sustainable model that preserves quality of environment and heritage assets. We can't get desperate and prostitute what is special – the global and national economic situation is going to improve over time, so don't sell Tasmania short now in pursuit of short-term opportunities. This will provide aspiration for Tasmanians to leverage what we have and build our future.

- The world economy will eventually return - so have to take the opportunity to lock in now what we have that will be of value then. We need to preserve and protect Tasmania's natural assets and brand and 'play the long game'. Invest now and drive up the premium value of what is uniquely Tasmanian (e.g. built heritage as a stimulus measure, rather than the traditional 'roads, rail and infrastructure'.) Government accept that there is a long-term productivity dividend from short-term stimulus in infrastructure, we need government to see the longer-term value dividend from cultural and environmental assets that will become increasingly of value to the world).

- Create and promote Tasmania as a destination, both for 'destination tourism' but also as a safe and attract place to live, work and set up a business, opposed to bigger cities. Work across sectors to collaborate on opportunities to build Tasmania's brand and incentivise people to visit. This could develop into packages, where visitors primarily arrive for a festival or event but the package includes additional tourism activities and experiences. It would also enhance interconnectedness of Tasmania's industries.

- Building the attractiveness of Tasmania as a migration destination also provides the opportunity to grow Tasmania's population and capture inward migration.
- Invest in our unique, Tasmanian brand that is high quality and niche, not mass produced or known for one thing (e.g. mountain bike trails) only. Leverage, promote and further develop the Tasmanian brand and image, particularly through the integration of industries to expand and enhance the tourism offering.
- Tasmania need to embark on a strategy of increasing the value of its tourism and cultural capital. Shift from a perspective of increasing the level of activity, towards increasing the value of that activity. Tasmanians need to understand the real value of 'what we've got' and not 'sell ourselves short'. If people want access to Tasmania, they will need to pay a premium for doing so (and they will, it's just that we don't value it highly enough ourselves).
- Tasmania should focus on value rather than volume, particularly in relation to tourism. Tourism should be high end and bring value to the place, the economy but also the community. The community should work together with the tourism industry to ensure these benefits are realised.
- Tasmania will still be one of the more desirable locations globally - there is money in the world and there will be an appetite for Tasmania. Leverage our competitive advantage for Tasmania here. Devise a program to encourage long-term investment in culture, heritage etc. for new arrivals that come here because they want them. Use this to 'preserving not selling' approach to charge to 'access' Tasmania and use this to help find solutions for Tasmania's issues.

## Education and Skills

- Education will play a key role in Tasmania's future. We need to rethink our approach to education and overhaul the models we use to deliver it. Changes to digital delivery need to be captured and leveraged where they work well. Take advantage of learning from COVID-19 in our educational space to capture the benefits of adaptive and flexible learning models and use this to address the educational disadvantage Tasmania currently faces.
- Learning should promote entrepreneurial skills and be treated a lifelong undertaking.
- Education models should be restructured to focus on training needs for vocations within schools and tertiary. Education needs to develop the skills that will be/are needed by industry to align with employment. TasTAFE needs to modernise its education delivery - education should be treated as a public good rather than a business.
- TAFE is problematic - we need different delivery models that fit the needs of the industries that TAFE service - need brave decisions to deliver a fit-for-purpose model, including on-line delivery.

- Mentorship:
    - Government could encourage/incentivise mentorship as part of community connectedness.
    - Role for the sector? Sectors need to think about how they can support skills development across their industries, through mentorship, coordinated education and training, resource sharing and collaboration with linked/related industries.

## Cooperation

- Integration is key - integrate arts and creative sector into the Tasmanian brand and sense of place. Closer cooperation and integration between tourism, hospitality and the creative and cultural sector. Integrate a series of events for continuity. On-line collaboration. Shift the perspective of what 'arts and culture' as part of everyday life.
- Cross-pollination of local industries, bringing together hospitality, producers, organisers and performers to collectively drive events with a local community and Tasmanian focus. For example, event organisers can focus on sourcing from local suppliers and forming partnerships with relevant businesses and producers.
- Sector-wide coordination of event planning could contribute to the development of a "calendar of events" in Tasmania that ensures diversity, maximises the opportunity for participation across the sector and avoids situations of events competing against each other by being held on the same dates/weekends, supporting a better spread of economic benefits across the sector.
- Staff/resource sharing:
    - Shared training and cross-skilling activities to keep costs down for participants, businesses and training providers.
    - "Hub" model of sector collaboration, providing integration of activities and an increase in the sharing of ideas, innovation and resources, in the context of constrained visitor/tourist/attendance numbers.
    - Development of a "pipeline" of events, led by the sector and not government.
    - Requires a structure, functional and transparent approach to coordination to ensure equity, fairness and inclusiveness.
- Develop the idea of "destination tourism", by working together in food, tourist attractions, entertainment, transport, etc. This could develop into packages, where visitors primarily arrive for a festival or event but the package includes additional tourism activities and experiences.
- Enhance the interconnectedness of Tasmanian industries - primary producers, hospitality, tourism operators, the arts and event organisers.

## Reimagine Work

- Work with young people to 'rethink' work. Shift away from the concept that success and self-worth is driven through a full-time job with a single employer.
- Develop entrepreneurial skills in education - teach young people the skills they need to turn their 'side hustle'. The creative industry is all about monetising a side hustle. Fund community-based side hustles that already there.
- Flexibility – work towards creating an industrial relations setting that enables business to open and trade when the business is there, but also flexibility for individuals to manage their own work/life balance.
- Workforce / Industrial Relations reform, with structural and cultural changes, such as:
    - Reforming penalty rates and the concept of 7-day trading.
    - Introducing, promoting and embracing the 4-day work week concept.
    - Improving flexibility in working arrangements and work/life balance.

## Community

- Events present a potentially powerful mechanism for reigniting Tasmanian health and well-being. We need to mobilise an events-based strategy in regions about arts, heritage, sense of self and place, community connection, Indigenous story - micro circuit to engage with people in their sense of place that tells the Tasmanian story
- Create opportunities for Indigenous Tasmanians - invite and celebrate the culture and knowledge that they bring. Support indigenous stories to be told in the way they want it to be told, which will assist to will build the community.

## Risk Appetite

- Encourage greater risk appetite - encourage people to spend and invest in Tasmania. Take the opportunity to put on events, government to provide 'insurance' to cover COVID interruption, otherwise the risk is too great for event promoters/community to take the chance to organise events/festivals. Generally, we need to have a cultural attitude to engaging with risk, rather than 'its just to hard'.
- Tasmanians need to be encouraged to engage with a greater risk appetite in and across the tourism, hospitality and cultural sectors, promoting the aspirations of the sectors, especially in the cultural arts, festivals and events.
- Governments must recognise the imbedded risk in these sectors, acknowledge the substantial contribution these sectors made to Tasmania's brand/image and economic prosperity immediately prior to COVID-19 and place appropriate value

on the role and economic and social contributions these sectors can make again during Tasmania's recovery.

- Establish cooperation with other states for COVD-safe travel - i.e. bilateral safe travel bubbles without mandatory quarantine requirements, to increase domestic travel as much as possible while ensuring outbreaks are quickly contained and managed, keeping public health as a high priority.

## Mental Health

- To assist with mental health, we need to start communicating the need for change as a natural part of life - be it as a business owner, a community undergoing change, and for individuals themselves. Recognised that change is constant and a natural part of life, and not to be feared. Drive a conversation about what individuals can do for their communities (industry, local communities, and social circles) - change the script to "what can I do to assist". This was common during peak-COVID, and we need to lock it in as the natural order.

- There is a large opportunity to build the resilience of younger people. This is highly obvious in the workplace currently, and COVID doubly increases the need. It will prevent mental health challenges over the medium term, and regardless, produce more robust individuals.

## Attachment 2: Outcomes from the Workshop

## Scenario A

***Workshop discussion about 'consequences' of scenario A***

- Increased attractiveness of Tasmania as a 'safe' and liveable location, could drive population changes and attractiveness as a tourism destination.
- Increased emphasis on local over international - resulting in strong patronage from Tasmanians for Tasmanian products and services.
- Likely that box office sales will still be scarred and there will be an ongoing reluctance to invest in these. Participation in the arts sector will need to be monetised in different ways, but some areas are likely to still be disadvantaged.
- The job losses across the sectors (in this workshop) may have recovered partially.
- The investment in arts and culture will have stalled, but then increased rapidly.
- Tourism will experience a decrease in interest in people taking up jobs in the sector.
- Tasmanian tourism will attract more destination visitors, primarily from the domestic market with the international tourism market shrinking.
- There will be an increase in population in regional areas as remote working arrangements become more acceptable and imbedded and people seek to move outside of large, crowded cities.
- There will be a strong sense of community connectedness and sense of place. Tasmanians will become more protective of our brand and what it stands for. They will want greater control on how we choose to share what is special to us.
- Cultural tourism will be challenging.
- Low value will continue to be placed on artists and their work which will result in Tasmanian becoming a net importer of arts and culture.
- Household budgets will be stretched resulting in more limited access to digital services as households make budget choices between food or purchasing data.
- Residents in the North West who experienced the brunt of the COVID-19 lockdowns will still experience fear and continue to have an inward looking perspective on protecting their interests.
- Tasmania's heritage assets - both natural and built - will suffer from lack of investment and disintegrate as a result.
- Some activities, events, festivals and businesses will have been unable to adapt during COVID-19 restrictions and have therefore failed by 2023, leading to:
    - Loss of employment in the arts, entertainment and cultural industries and scarce employment opportunities for the sector in the future.

    - Fewer options for Tasmanians to attend events and festivals, resulting in a lack of diversity and choice in the sector in the years ahead.
    - There will be a loss of skills in the sector due to fewer events being held and lack of opportunities for industry participants and employees to develop their experience.

- There will be a need for businesses and cultural events to diversify their skills and business models in order to survive.
- Businesses will need to restructure in response to lower turnover, due to lower visitor numbers in Tasmania compared to pre-COVID levels of interstate and international tourism.
- There will be flow-on economic impacts from reduced business activity in the sector which, together with fewer arts, entertainment and cultural events being held in the State, will lead to poor social outcomes for Tasmania.
- Changes to funding for the tertiary sector, specifically the reduction of fees for STEM courses and increases to fees in arts and humanities, will have a structural impact on the tourism, hospitality and cultural sectors. There will be greater incentives for people to follow career paths alternative to these industries, with poor consequences for consumer choice for recreational activities in Tasmania.

***Workshop discussion about 'constraints' of scenario A***

- Nervousness will erode confidence.
- There will be risks to the Tasmanian brand.
- Tasmania's ageing workforce will be an increased vulnerability.
- There will be increased costs for importing goods and services.
- A pear-shaped economy will constrain investment.
- Local mediocrity will constrain potential opportunities.
- Many businesses which have been impacted by social distancing restrictions and lower turnover for an extended period but have survived to 2023 will be severely constrained financially.
- Depletion of savings and cash reserves after the winding back of government support/stimulus for many businesses will hinder their ability to invest and grow when the economy improves and visitor numbers increase again.
- Uncertainty in the recovery period and business outlook will lead to lower risk appetite amongst businesses, creative industries and promotors. Lack of business investment in these sectors will be ongoing negative impacts on employment and the sector will suffer from the loss of the availability of the workforce with the skills and expertise required to support growth as the economy recovers.

- Access to Tasmania is likely to be a significant constraint, with lower passenger capacity on the Spirit of Tasmania and the airlines, probably with fewer services. Structural changes in the domestic and international passenger transport sector is likely and may not return to pre-COVID conditions.
- Ongoing border restrictions, particularly to international arrivals, will continue to limit visit numbers to Tasmania compared to pre-COVID levels. Returning to previous levels of visitor numbers is likely to be gradual, over time.
- The education will be constrained - particularly the tertiary space with reduced international students
- The creative arts, culture and entertainment sectors traditionally rely on multiple income streams, including product sales, performances, festivals, merchandise, corporate/government sponsorship, partnerships and grants, etc. Some of these streams may be impacted in the medium/longer term, which will require the industry to adapt its funding models.
- Services to and within the sector will be limited, constraining activity in the sector and requiring the development on new skills. For example, a lack of available sound engineers will constrain the work of recording and performing musicians, who may need to develop new skills or find alternative ways of obtaining some services.
- There will be ongoing supply constraints in labour and clients/customers, particularly in the tourism space.
- Availability of appropriate education/training courses and time to develop new skills to aid in adapting to the new world could be a constraint and costs could be prohibitive for artists, performers and others in the sector who have lost their sources of income.
- Compliance with COVID-19 safe requirements will impact businesses. Public pressure to maintain COVID-19 suppression measures, particularly social distancing and restrictions on public gatherings, venue density, etc, will make many venues and events unviable under traditional business models.
- Ongoing negative impacts on the sector will have mental health consequences for industry participants, which unaddressed would develop into a constraint against the rebuilding of the sector. Where artists and performers lack energy and resilience to meet their basic needs, they will be unlikely to have the physical or mental capacity to make the adaptations required for new ways of working.

***Workshop discussion about 'opportunities' of scenario A***

- Invest in our unique, Tasmanian brand that is high quality and niche, not mass produced or known for one thing (e.g. mountain bike trails) only. Leverage, promote and further develop the Tasmanian brand and image, particularly through the integration of industries to expand and enhance the tourism offering.

- Take advantage of learning from COVID-19 in our educational space to capture the benefits of adaptive and flexible learning models and use this to address the educational disadvantage Tasmania currently faces.
- Use tourism assets and experiences to drive educational outcomes and re-engage disengaged students - particularly where those assets are not being used due to a change in the market.
- Think of ourselves as a being part of an archipelago, rather than being an island which isolates our thinking. Thinking of ourselves as being part of something bigger creates opportunities.
- Source new markets for tourism through reinvigorating what we offer. This will create a net deficit in tourism and reduce the age of the average traveller which brings a shift in optimism in a place. More akin to New Zealand's tourism model.
- There is the opportunity for wealth transfer to occur and Tasmania should invest in pipeline opportunities to take advantage of this.
- Tasmania can create place-based micro-economic opportunities.
- Tasmania should focus on value rather than volume, particularly in relation to tourism. Tourism should be high end and bring value to the place, the economy but also the community. The community should work together with the tourism industry to ensure these benefits are realised.
- Tasmania should find ways for artists to digitalise their offerings. This includes the technical aspects of capture, the editorial skills to produce, high quality productions and finding ways for sole trader artists to capitalise on their productions, rather than commercial giants like Stan.
- There is an opportunity to shift the perspective around 'arts and culture' to one that recognises this is a core part of everyday life. Government should invest in 'participation' aspects of culture and educate on the benefits of this.
- There is the opportunity to create a 'runway' for innovation by creating an environment that allows artists to fail by providing upfront investments.
- Opportunities for greater collaboration across the sector and utilising online technologies.
- Cross-pollination of local industries, bringing together hospitality, producers, organisers and performers to collectively drive events with a local community and Tasmanian focus. For example, event organisers can focus on sourcing from local suppliers and forming partnerships with relevant businesses and producers.
- Sector-wide coordination of event planning could contribute to the development of a "calendar of events" in Tasmania that ensures diversity, maximises the opportunity for participation across the sector and avoids situations of events competing against each other by being held on the same dates/weekends, supporting a better spread of economic benefits across the sector.

- Staff/resource sharing:
    - Shared training and cross-skilling activities to keep costs down for participants, businesses and training providers.
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    - Requires a structure, functional and transparent approach to coordination to ensure equity, fairness and inclusiveness.
- Develop the idea of "destination tourism", by working together in food, tourist attractions, entertainment, transport, etc. This could develop into packages, where visitors primarily arrive for a festival or event but the package includes additional tourism activities and experiences.
- Enhance the interconnectedness of Tasmanian industries - primary producers, hospitality, tourism operators, the arts and event organisers.
- Promote the value of Tasmania as a destination for migration, to live, work and set up a business - people will want to move here from the bigger mainland cities, looking for a better lifestyle, health/safety and local environment - opportunity to grow Tasmania's population.
- Develop cultural diversity and enhance the story of Tasmania, with inclusion as a core principle of community and promoting Tasmania's values of:
    - Cultural diversity.
    - Environment.
    - Accessibility.
    - Opportunity.
    - Telling their story how they want it to be told.
- Tasmania has come a long way in its historical attitudes and tolerance (e.g. gender diversity). Capitalise on that cultural change and drive it home to increase the acceptance of diversity. Bring people together for community-based events that celebrates difference. Add this to our brand offering to strengthen it.
- Australia will be in a better position than the rest of the world, and this will create new opportunities, based off our existing Brand, which is very strong. We need to target the right markets - those that value and can afford our 'premium' offering. Sell our brand internally to Tasmanians and retain that sense of 'backing ourselves' that was highly evident pre-COVID (don't lose it).

- To assist with mental health, we need to start communicating the need for change as a natural part of life - be it as a business owner, a community undergoing change, and for individuals themselves. Recognised that change is constant and a natural part of life, and not to be feared. Drive a conversation about what individuals can do for their communities (industry, local communities, and social circles) - change the script to "what can I do to assist". This was common during peak-COVID, and we need to lock it in as the natural order.
- There is a large opportunity to build the resilience of younger people. This is highly obvious in the workplace currently, and COVID doubly increases the need. It will prevent mental health challenges over the medium term, and regardless, produce more robust individuals.
- Create opportunities for Indigenous Tasmanians - invite and celebrate the culture and knowledge that they bring. Support indigenous stories to be told in the way they want it to be told, which will assist to will build the community.

## Scenario B

***Workshop discussion about 'consequences' of scenario B***

- There will be no high yield visitation under this scenario - not only border restrictions limiting access of higher-yield travellers, but less money in the community will mean people are just less willing to spend. Where the business sector is under financial pressure, the spending that could otherwise be relied upon will dry-up and 'discretionary' business spending will be severely dampened.
- Ongoing border closure/restrictions will prolong issues with restricted access to and from Tasmania, impacting both travellers and freight. Freight costs of exporting will be cheap but imports will be expensive, impacting Tasmania's export markets as well as the availability of products that can't be produced here.
- Strong businesses will survive, weak and mediocre ones will not. Business failure will be high. Many business will be forced to shut down as they will not be able to meet costs and financial obligations with zero or substantially reduced turnover for an extended period.
- There may be a switch back towards 'traditional' economic success sectors, such as primary production.
- Economic and social consequences will be disproportionate for regional communities, relative to urban communities. Economic devastation from business closured and high unemployment will have significant negative effects on accommodation, rental and housing markets, affordability and security for individuals, families and landlords. There is likely to be an increase in homelessness.
- There will be significant job losses and a decrease in skilled labour.
- Widespread loss of employment and productivity will lead to an increase in crime and other social problems.
- There will be dramatic falls in employment in arts sector, with generational consequences. Not only will people be 'lost' to the sector, but the pipeline of new entrants will 'dry-up' as opportunities will be very limited.
- Imposing, lifting and re-imposing social distancing restrictions will negatively affect social and economic adaptability. People will tire of sustained limitations on lifestyle and mobility, leading to poor physical and mental health. Businesses will become fatigued from having to repeatedly adjust their operations/models and will struggle to maintain financial viability.
- Over the longer-term, structural shifts will see Tasmania (and Australia) as a net importer of culture - it will be cheaper and easier to buy-in rather than develop local content.
- There will be an increased shift of wealth from the 'creative class' to larger business, who tend to be the ones that are better able to monetise creativity. This is already the basic business model for the sector (creatives tend to create for little value,

because they love what they do, and the value is able to be extracted by larger businesses who base their business off the existence of the creative product). These forces will be even higher under this scenario.

- There will be significant mental health impacts across the community, with consequent negative social and economic implications.
- Civil rights will be eroded or challenged with more police control becoming commonplace.
- Lucrative, but illegal opportunities, will increase. People will stop following the rules, resulting in illegal activity. Limited budget for police budget.
- Disruption and fear will be on a high - the Tasmanian community (and more widely, Australians in a national context) will be demanding from government that we isolate ourselves from elsewhere, and this will have knock-on strong economic consequences.
- Tourism investment will dry up, with long term impacts on the quality of urban design and the planning landscape.
- People's attitudes to risk taking and career building will be impacted. Our more recent experience has been a willingness to 'have a go' and 'take a chance' with an expanding vision of what is possible - the opposite will emerge.
- The delivery of education is likely to be different - with a stronger focus on a more digitised delivery model, there may be pressure to secure materials that are 'easier to get', rather than those that are best-for-purpose in a Tasmanian setting.
- Recurring outbreaks and an ongoing stop-start economy from lockdowns or self-quarantine requirements will disrupt education, leading to sporadic teaching/delivery and risking poor educational outcomes for Tasmanian students.
- The shift to digital provides new and beneficial opportunities for some. At the same time, digital delivery doesn't bring people together physically, and this is an important element of connection and community (eg. a virtual meeting doesn't deliver the same outcomes as a physical connection of people).
- There will be wealth impacts on Tasmanians generally, particularly where house prices soften. The recent economic activity that has been driven by wealth effects (people re-mortgaging their property to leverage their growing equity) will be negated, or potentially reversed. People will generally take a more conservative approach to spending, and the recent shift towards savings may become structural.
- The other level of wealth transfer is that with higher anxiety and stress, we are likely to see a shift in economic weighting to some specific areas (eg drinking, gambling and pharmaceutical use).

- Community attitudes about the perceived risk of some sectors that bring COVID-risk (eg. tourism) will see shifts in resources towards low-COVID-risk sectors (such as resource processing).
- Tasmanians will lose aspiration for the future.
- Social connectedness and population growth will change - isolated or regional communities becoming more insular which may have mental health impacts and cause reproductive challenges. Fear of community transmission from others disobeying social distancing and self-isolation rules will further fragment communities.
- The rate of people seeking to take their own lives may increase which could have costly consequences for society. Younger men are more likely to use vehicles as a mechanism for this which can drive an increase in disabilities and impact insurance and ongoing disability costs.
- The desire of governments and some in the community to seize any growth prospects, which may be in the resources sector, will create increasing pressures on the environment. There may be pressure to seize the short-term opportunities that present from 'exploiting' Tasmania's environmental and natural values, to the State's longer-term detriment. Those values are only going to increase in the longer-term as they become more and more scarce, and it would it would be to Tasmania's (and Tasmanians) longer-term interest to adopt a short-term focus in the desperate desire to drive immediate economic activity.
- Disability services sector will be impacted as the need continues to increase and investment from government continues (NDIS) but without career opportunities and trained carers, quality of life will be significantly impacted.
- The growth sectors - health care and community services, will increasing attract workers, to the detriment of the sectors that are under pressure.
- The Tasmanian brand and visitor experience will be damaged and the Tasmanian identity will be challenged, due to many of the factors mentioned above, which will have a negative effect on business confidence and resilience. Poor economic conditions and a bleak outlook is likely to lead to net outgoing migrations, particularly amongst the younger age groups.

***Workshop discussion about 'constraints' of scenario B***

- There will be less social tolerance of rules and restrictions and people will stop complying.
- Economic:
    - Government support/stimulus will be constrained, leaving businesses vulnerable to financial impacts.

- High levels of Government debt will constrain investment. The drive to short-term thinking will mean that there is limited appetite and capacity to invest upfront in long-term initiatives.
- Border restrictions will continue to limit economic growth and recovery, with low visitor numbers.
- Social distancing will constrain turnover for businesses, which in many cases would not be sufficient to meet fixed costs and in most cases would prevent sufficient growth to support economic recovery.
- Mobility and public transport will be constrained, both internally and interstate, due to social distancing requirements and reduction of services.
- There may be only one airline providing services to and from Tasmania, with the loss of competition leading to higher airfares and further constraints for access to Tasmania.

- Tasmania and Australia's partisan political system and political cycle will be increasingly driven towards short-term thinking - it's the nature of the system, where battles will be fought over immediate pressures, rather than longer-term matters.
- As public financial resources diminish, the State and Australian Governments will shift from stimulus and support measures to austerity measures, which may lead to significant negative impacts on social services.
- The willingness of Tasmanians to engage with COVID-risk is a key constraint - people power will drive the ongoing application of strong (perhaps overly strong) suppression measures.
- There will be no customers or consumers, for sectors such as tourism and hospitality due to ongoing access issues into the State.
- Tasmania's ability to export cultural IP and apply it elsewhere is very dependent on the mobility of people. With ongoing travel restrictions, this will increasing be limited.
- There is likely to be health consequences and constraints emerging from not being able to bring in skilled workers in the health sector. The same is true in other sectors, where the Tasmanian economy is not large enough to support specialist skills, and these have to be brought in on an as-needs basis from interstate and overseas (e.g. engineering, specialist servicing of machinery etc.).
- General incomes and government incomes will be tight - so discretionary activities like preserving heritage will be impacted. Arts and culture seen as luxury item that cannot continued to be supported by Government (and the private sector) at pre-COVID levels and cuts will be made.
- With a reduction in the ability of performers to monetise their craft, we are likely to see de-professionalisation. There will be a shift in the workforce as people no longer participate in non-funded areas like Arts. Arts and performance will turns from

profession to hobby. This would see structural and ongoing impacts on the sector that could be generational (the pipeline of new talent will be severely constricted). The constriction of tertiary-trained creative skills makes professional delivery much more constrained in the medium term, as professionalism can't be simply 'switched on' - it's the result of long-term personal investment.

- More generally, we may see a shift from professional to volunteer-based service delivery - higher risk and potentially not as good outcomes. This could be widely seen - from festival and events through to community support activities.
- Sustained lower levels of economic activity will shift demand on resources - less pressure may lead to better outcomes for the State (eg. natural resources, land and housing, skilled labour).
- There will be cost and volume constraints on freight for both imports and exports.
- Community support services will be badly impacted. The capacity of elite charities to invest and focus on Tasmania will likely reduce, as their attention will revert to major population centres. Loss of funding and attention to these much needed resources will impact Tasmania's most vulnerable, including Indigenous communities.
- Population growth will be constrained by lower or zero migration due to closed borders, leading to a further ageing of Tasmania's population, placing further pressure on the health system.
- Some forms of regulation are likely to constrain business growth and recovery, particularly where planning, permits and licensing processes cause delays and prevent businesses from quickly responding to opportunities or add unnecessary complexity to business and events planning.
- Supply of essential services and critical infrastructure, particularly digital communications infrastructure, bandwidth capacity and peak demand.
- Practice of exporting Tasmanian produce to the Victoria and then reimporting the same produce for Tasmanian businesses and consumers created unnecessary double-handling in the supply chain, potentially adding to food security risk from COVID-19 outbreaks in Victoria and other biosecurity risks.

***Workshop discussion about 'opportunities' of scenario B***

- There is an opportunity to find new approaches to new problems as the old approaches aren't working/won't work into the future.
- Become a global case study in arts-led recovery. There is a raft of research that demonstrates that the involvement of (appropriately trained) artists with at-risk cohorts (e.g. disengaged youth, older people) delivers materially improved social outcomes, and curtails otherwise required larger expenditures on managing the consequences of dis-engagement (e.g. mental health services, justice services, family support services). It improves health and wellbeing through culture. This is a

model already researched and proven to work elsewhere. This is in line with Tasmania's current 'cultural brand' advantage. Arts and creative sectors should be integrated into Tasmania's sense of place and identity, through business, education, infrastructure and services. This could be funded through social impact bonds (models already exist in Australia and elsewhere), and bring into the sector funds from investors (rather than Governments). It would require 'kick-start' funding and support from Government in the first instance. In a jurisdiction as small as Tasmania, the 'at risk' cohorts are well known and easily identified.

- The world economy will eventually return - so have to take the opportunity to lock in now what we have that will be of value then. We need to preserve and protect Tasmania's natural assets and brand and 'play the long game'. Invest now and drive up the premium value of what is uniquely Tasmanian (e.g. built heritage as a stimulus measure, rather than the traditional 'roads, rail and infrastructure'.) Government accept that there is a long-term productivity dividend from short-term stimulus in infrastructure, we need government to see the longer-term value dividend from cultural and environmental assets that will become increasingly of value to the world).
- Tasmania need to embark on a strategy of increasing the value of its tourism and cultural capital. Shift from a perspective of increasing the level of activity, towards increasing the value of that activity. Tasmanians need to understand the real value of 'what we've got' and not 'sell ourselves short'. If people want access to Tasmania, they will need to pay a premium for doing so (and they will, it's just that we don't value it highly enough ourselves).
- We need place-based decisions that don't marginalise what those places already have, rather, enhance that value.
- Tax changes - remove loopholes, make taxation fairer (e.g. land tax on shacks impacts the lifestyle choices and affordability of this for Tasmanians).
- Look at existing assets that don't have visitors that benefit Tasmanians that need it. How to use underutilised assets for other purposes (e.g. tourism assets that aren't being used for that purpose could be repurposed as educational assets). If these assets are used, they will disintegrate and we will lose them and our history.
- Education - TAFE is problematic - we need different delivery models that fit the needs of the industries that TAFE service - need brave decisions to deliver a fit-for-purpose model.
- Events present a potentially powerful mechanism for reigniting Tasmanian health and well-being. We need to mobilise an events-based strategy in regions about arts, heritage, sense of self and place, community connection, Indigenous story - micro circuit to engage with people in their sense of place that tells the Tasmanian story
- Work with young people to 'rethink' work. Shift away from the concept that success and self-worth is driven through a full-time job with a single employer.

Develop entrepreneurial skills in education - teach young people the skills they need to turn their 'side hustle'. The creative industry is all about monetising a side hustle. Fund community-based side hustles that already there.

- Tasmania will still be one of the more desirable locations globally - there is money in the world and there will be an appetite for Tasmania. Leverage our competitive advantage for Tasmania here. Devise a program to encourage long-term investment in culture, heritage etc. for new arrivals that come here because they want them. Use this to 'preserving not selling' approach to charge to 'access' Tasmania and use this to help find solutions for Tasmania's issues.
- Climate change and Tasmanian's non-net carbon emitting status is a valuable selling point for tourism. What other place-grounded opportunities are on the horizon - marine and Antarctic and southern ocean - we have the right location and have all of the key ingredients (infrastructure, stable political system etc.). We need to get ahead of the next wave.
- Build partnerships across collective intelligence and wealth in Tasmania, across all sectors to deliver social benefits. The Government can take a leadership role in brokering these relationships.
- Rethink the outgoing economic loss to Tasmania by encouraging community to reinvest here and support future for young people to stay.
- Education:
    - Restructure to focus on tailored training for vocations within schools and tertiary.
    - Better online delivery.
    - TAFE needs to be modernised, including online delivery.
    - Link education and training to skills requirements/gaps in industry.
    - Refocus education as a public good rather than a business.
    - Emphasise lifelong learning, especially at primary school level.
- Mentorship:
    - Government could encourage/incentivise mentorship as part of community connectedness.
    - Role for the sector? Sectors need to think about how they can support skills development across their industries, through mentorship, coordinated education and training, resource sharing and collaboration with linked/related industries.
- Identify and address Tasmania's vulnerabilities, such as:
    - Internet bandwidth and capacity to meet peak demand

- Self-sufficiency - buying local, supporting local producers and suppliers in supply chains, pooling resources and taking a community-based approach to regional development, conducting business, supporting local artists and performers, and creating/holding events and festivals:
    - Requires strong leadership, from Government but most importantly from within the tourism, hospitality and cultural sectors.
    - Would lead to internally driven economic and social benefits for Tasmania, without relying too heavily on external tourism and supply chains.

- Workforce / Industrial Relations reform, with structural and cultural changes, such as:
- Reforming penalty rates and the concept of 7-day trading
- Introducing, promoting and embracing the 4-day work week concept
- Improving flexibility in working arrangements and work/life balance
- Establish cooperation with other states for COVD-safe travel - ie, bilateral safe travel bubbles without mandatory quarantine requirements, to increase domestic travel as much as possible while ensuring outbreaks are quickly contained and managed, keeping public health as a high priority.
- Tasmanians need to be encouraged to engage with a greater risk appetite in and across the tourism, hospitality and cultural sectors, promoting the aspirations of the sectors, especially in the cultural arts, festivals and events.
- The Government should lead with the vision that tourism, hospitality, arts and culture are integral to Tasmania's identity in 2023-2025 and beyond. This vision should include a Value Statement and be supported with the same level of commitment as is being afforded to other sectors, such as building and construction.
- Governments must recognise the imbedded risk in these sectors, acknowledge the substantial contribution these sectors made to Tasmania's brand/image and economic prosperity immediately prior to COVID-19 and place appropriate value on the role and economic and social contributions these sectors can make again during Tasmania's recovery.
- Tasmania must maintain, further develop and promote sustainability as a core principle in the recovery journey, including financial, social, environment and funding for the arts.

## Attachment 3: Scenarios Used in the Workshop for 'Creative Thinking'

### Scenario A (2020 to 2023)

A long lasting and effective vaccine has been developed, and broad distribution across the globe is varied. Large numbers of developed countries have access to the vaccine, and the uptake of vaccinations is particularly good in those countries that established manufacturing contracts early on. By contrast, some countries that were not able to get at the head of the que have had less success in rolling the vaccine out to their populations. Uptake has been widespread in Australia and other developed countries. By early 2022 a significant proportion of the Australian population was immunised and community transmission has largely been suppressed. Methods for treating COVID-19 have also improved, resulting in decreasing mortality and hospitalisation rates, and new fast, affordable, accurate and painless saliva tests that provide immediate results are widely available. Over the past few years many Australians chose to test regularly which improved the speed and effectiveness of tracing.

Small, localised, virus outbreaks continued to occur nationally during 2021 but were suppressed quickly with small-scale localised restrictions, without broad-scale lockdowns (as seen in Melbourne in September 2020). Physical distancing requirements are no longer required. State and Territory borders opened in early 2021 and Australia's international borders opened around mid-2021. During 2021 to 2023 intermittent international travel restrictions applied to some countries and travellers that were considered to be high risk, however, these restrictions have now almost all been removed.

The global, national and Tasmanian economies have recovered after bottoming out in 2020-21. Tasmania is one of the best performing states, with people in the post-COVID-19 world demanding the safe and clean produce and a tourism experience that Tasmania has to offer. However the 2020-21 crisis resulted in structural changes in the economy and many businesses closed, particularly in sectors most impacted by COVID-19 suppression measures in 2020. Tasmania's population is now growing again after a short period of decline through 2020-22. National and international passenger and freight services have returned to pre-COVID-19 levels. After a short period of reduced demand and supply disruptions, international demand Tasmanian products and services exports slowly increased to record high levels in 2023.

The Tasmanian community has recovered well from the pandemic. Community support for the COVID-19 response led to increased social connectedness, while advances in the use of technology, such as telehealth, have made services more accessible to some isolated cohorts. While the community has a high sense of hope for a Tasmania with plenty of opportunities, and the level of anxiety and fear associated with COVID-19 has largely disappeared, the pandemic has highlighted the struggles of people living with disadvantage, and particularly the long term unemployed.

As the economy recovered Governments have incrementally removed most of the COVID-19 support measures to businesses and households, but retained JobSeeker payments at a higher rate, recognising that the pre-COVID levels were unsustainable.

## Scenario B (2020 to 2023)

After several false starts, a vaccine has been developed and was recently made available to Australians. However uptake has not been high due to ongoing social commentary around its overall effectiveness and whether it will provide long lasting immunity. Treatment methods have improved, but not to a point where they have reduced the desire for an effective vaccine. Testing technologies and tracing efforts have incrementally improved, and random testing is being conducted across the State on a large scale and regular basis. However, community commitment for suppression measures has reduced.

Globally countries continue to experience frequent outbreaks. Some countries have chosen to adopt a herd immunity management approach and have avoided a 'stop -start' economic recovery, other counties continue to struggle with the management of relatively high daily cases –nevertheless there is a general global sense of 'light at the end of the pandemic health crisis tunnel'. Without widespread uptake of an effective vaccine in Australia, the risks associated with international travel still exist and our international borders are effectively closed, other than to a small number of countries who's COVID-management approach (strong suppression) is similar to Australia's, with the first travel bubble opening to New Zealand in 2021. Governments around Australia continue to face difficult decisions around balancing public health and economic policies.

All State borders opened for a period of time in 2021, allowing some freedom of movement for domestic travel. However frequent and large outbreaks across the nation soon after, led to various States (including Tasmania) re-imposing tighter border controls. In 2023, travel restrictions continue to limit travel to hotspot regions and borders are closed to those without exemptions for several months. Physical distancing and restrictions around very large gatherings are still in place.

Economic conditions worldwide have not returned to pre-COVID levels. The global and Australian economies have entered into a prolonged period of 'drift' with a significant reduction in economic activity from pre-COVID levels characterised by no growth and sustained high unemployment. Tasmania's economic conditions are trending below the already weak national conditions -with an unemployment rate of around 12 per cent (more than double the pre COVID level) and youth and regional unemployment hit particularly hard. Industry sectors (such as Tourism) that are particularly affected by travel restrictions continue to struggle more than other sectors. Tasmanians are leaving the State in search for job opportunities, and the State's population has declined. National and international passenger and freight services have slightly improved but remain substantially below pre-COVID-19 levels. Freight costs are very high and capacity is unreliable. Many countries have

protectionist policies in place and international markets are difficult to access for many Tasmanian goods and services.

The economic crisis has resulted in decreases in Government revenue, and grants from the Australian Government have reduced for Tasmania. Governments feel under pressure to tighten and target expenditure (reduce some 'non-essential' services), and there is a growing acceptance that some support measures are creating distortions in the labour market. JobKeeper and JobSeeker supplements (and other support to businesses and supply chains), have either been revised, reduced and/or retargeted, and these reforms commenced with significant change occurring in 2021-22.

The inability for many Tasmanians to find sufficient work is leading to an increase in household stress and financial hardship, and more Tasmanians feeling isolated and disconnected (particularly young, old and disadvantaged Tasmanians). The Tasmanian community is very much feeling the social impacts of ongoing outbreaks of the virus and the ongoing impact of suppression measures in Tasmania. Students of all ages have also been impacted by frequent disruptions to their learning institutions, and the aged care sector in particular has faced ongoing unique challenges with the management of its work force and vulnerable clientele. Ongoing frustration and uncertainty has led to non-compliance with lockdown and social distancing requirements, and combined with the economic situation, is leading to increasing protests and unrest, a greater sense of fear and anxiety, and a loss of hope for a better future.

## Attachment 4: Workshop Participants

| Participant | Organisation |
|---|---|
| Robert Pennicott | Pennicott Journeys |
| Caroline Sharpen | Tasmanian Symphony Orchestra |
| Shannon Wells | Par Avion |
| Travis Tiddy | Unconformity Festival |
| Nicole Durling | MONA |
| Scott Rankin | Big hART |
| Monique Brumby | Artist |
| Lee Christmas | Foundry |
| Rachel Dunn | Karadi Aboriginal Corporation |