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Dear Ms Wadsley

## **TASMANIA'S PLACE IN THE ASIAN CENTURY**

Thank you for the opportunity to provide comment in response to the Issues Paper.

The Tasmanian Skills Institute supports approximately 23,000 learners and 3,000 businesses, large and small, with Vocational Education and Training services. The majority of learners are employed in the Tasmanian workforce. The Skills Institute conducts a small amount of training for corporations nationally and internationally.

In responding to the paper we will address questions that are relevant to our work and for which we believe we have some insights.

### **The Asian Century...what it means**

#### *2.1 What are the key opportunities for Tasmania from growth in Asian economies?*

The aspect we wish to comment on here is that Tasmania should not limit itself to thinking that growth of export commodities, for example minerals and dairy products as the sole areas of energy and focus. We must think beyond the mine and the farm.

While export of commodities is and will continue to be vitally important, the development of high value products that will sell into Asia but are developed and manufactured in Tasmania must also be a part of our vision.

Consider that Christchurch, New Zealand, with a population of approximately 350,000 people is home to TAIT Electronics. With estimated revenue of NZ\$200M, Tait's market for its telecommunications equipment is largely export.

The development of high value high technology export oriented businesses complement the more traditional export markets but may be better differentiated, offer higher value and importantly may retain and attract back talented Tasmanians.

## 2.2 *Are Asian market opportunities for Tasmania sustainable?*

We don't believe the question is correctly put.

Markets, opportunities and supplier positions are dynamic due to many factors. Some markets opportunities may be profitable for only a period of time but nevertheless worthwhile.

The word Sustainability, which infers longevity, should be focused on relationships in the market and knowledge of the markets. With these things in place, opportunities are more readily recognized and exploited over time.

We make the point that successful relationships and knowledge of Asian markets, where currently in place, have been built up over a long period of time.

## 2.4 *Should Tasmania focus on accessing Asian opportunities broadly, through capabilities, or by targeting specific markets and export products and services?*

The concept of Governments or any other third party picking export winners is in our view problematic. Moreover such action is limiting. The exception may be in supporting business that show they are operating at world standards.

We believe that no Tasmanian business is too small to export to Asia.

The role of Government is to address the factors within its control that facilitate businesses and it is for business and organisations to engage in commerce with Asia.

An important and urgent role of Government is promote a culture in Tasmanian businesses, large and small, to internationalise and learn about Asian market opportunities. The role of Government is that of adaptive leader for those Tasmanian business that do not yet understand or appreciate the importance and impact of the Asian century.

## **Tasmania's Asian Engagement**

### 3.1 *How well prepared is Tasmania to receive Asian tourists?*

Tasmanian training institutions such as the Skills Institute have an important role in supporting Tasmanian tourism and hospitality businesses to welcome and accommodate Asian and especially Chinese tourists.

To do this the training organisations need themselves to develop a deep understanding of the expectations of Chinese tourists. This will best be achieved by forming links with tourism and hospitality providers in Asian destinations that are already popular with Chinese tourists.

Even better is the concept of triangular links being developed between Tasmanian T&H operators, the Skills Institute and successful Asian T&H businesses.

### 3.3 *How well prepared is Tasmania to receive Asian students?*

Tasmania has been welcoming Asian students for a long time. The reasons for seeking such students are generally understood to be revenue generation and internationalisation of the educational institution and community. Other States and particularly large cities have an added advantage of casual work opportunities and possibly links with extended families who have emigrated.

With rapidly developing high quality universities and polytechnics in Asia and especially China it is likely Asian countries will market their institutions as destinations for overseas students.

The former reasons for Asian students coming to Australia, chiefly the comparative advantage of a high quality education is falling away. In its place will be students who come for a different type of experience. The traditional onshore student training market is we think changing.

### 3.6 *Should the emphasis on delivering education be in-country, online or in Tasmania?*

The broader question is why would a Tasmanian education or training institution engage in international operations (when its core business is educating and training Tasmanians).

The matter of on-shore students is addressed above. Off shore operations are done for two reasons, to generate significant profitable revenue (needs to be significant to compensate for risk) and to internationalise the institution. In our view, the second reason is the more important in the long term.

An important future role for the Skills Institute and for TasTAFE is to support Tasmanian businesses especially small and medium sized enterprises to engage with Asia. To do this successfully, the training institution must itself be an experienced and adept operator in Asia. Education and training organisations must themselves be early adopters of Asian literacy.

## **Can Tasmania access Asian Growth?**

### 4.13 *What do you believe is the role of governments in general in facilitating opportunities arising from the Asian Century?*

Beyond the normally accepted role of Government in generating conducive policy settings we would like to comment on the need for leadership.

In working toward a culture that values the importance and benefits of engagement with Asia many signals must be sent to business and community about how important Government believe engagement to be.

In a recent address I attended by the WA Premier he mentioned that he routinely and frequently meets with the WA Chinese Chamber of Commerce.

It is important to tell stories about successful local businesses operating in Asian markets.

We believe it is very important to encourage and support more Tasmanian business people, especially those from smaller operations to purposely travel to prospective Asian markets, initially to learn.

Submitted by Malcolm White  
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27<sup>th</sup> September 2012