

AUSTRALIAN POLITICAL EXCHANGE COUNCIL

INDIVIDUAL STUDY TOUR TO THE UNITED KINGDOM

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Executive Summary

My study trip to the United Kingdom (UK) focussed on exploring examples of local economic transition, with the view to bringing home ideas relevant to my home state of Tasmania. I examined:

- Examples of places that were successfully leveraging natural assets similar to Tasmania, such as renewable energy, strong local arts and food cultures, and nature based tourism.
- Examples of places with similar economic disadvantages, and how they were pursuing economic localisation to build resilience and create prosperity in the absence of significant other sources of investment.

In examining these issues I spent the bulk of my study trip meeting people in regions of the UK that had similar scale, advantages and disadvantages to Tasmania. This principally took me to Scotland including the Western Islands and Inner Islands; West England including a brief period in Wales; and South-West England focusing on Bristol, Devon and Cornwall.

I am grateful to the Australian Political Exchange Council and the Australian Greens for giving me the opportunity to undertake this study tour.

Key Findings

Scotland's approach to renewable energy offers Tasmania an excellent model

Scotland is a leader in how to utilise community-scale renewable energy projects to create local jobs and revenue and in how to leverage significant renewable energy generation to transition a vehicle fleet to electricity and hydrogen fuels. The use of renewable energy to attract intensive energy users in creative industries is also potentially relevant.

Dundee City Council provides a detailed case study of a medium-sized city similar to Hobart and Launceston where the local authority is a key driver for the change to electric passenger and small utility vehicles. Dundee and Aberdeen also have increasing penetration of car-share social enterprises which allow anyone to rent an electric vehicle for personal use rather than have to purchase one. Aberdeen is further about to have a fully operational hydrogen powered public bus fleet, with the completion of an electrolytic hydrogen fuel plant.

Meetings with representatives of the Community Land movement in Scotland, particularly in remote locations such as the Western Islands, demonstrated the importance of community-owned renewable energy projects to supply affordable electricity, create jobs and provide an ongoing source of revenue. This has strong resonance with the experience of remote communities in Tasmania both on the Bass Strait islands and on the Tasmanian mainland.

Devon and Cornwall offer strong lessons in combining values-based tourism and local food

There are strong corollaries for North-West Tasmania in particular with the South-West of England. Both regions have historically relied on extractive industries, particularly mining, and have suffered from the downturn and variability in its fortunes. Both have outstanding natural and cultural heritage, and agricultural land, with growing reputations and recognition of regional food quality and cuisine. The integration of Dartmoor National Park with local food and outstanding ancient Indigenous heritage in particular demonstrates a successful model for North-West Tasmania to consider, combined with the creation of a strong regional food brand similar to Devon and Cornwall's 'Taste of the West'.

Economic localisation is a growing movement with relevance to Tasmania

Prior to the onset of the Global Financial Crisis (GFC) and the Westminster response of imposing austerity, moves were already underway to explore how to map and support stronger local economies in the UK. The UK's recognised failure to deliver effective regional economic development combined with the imposition of austerity has greatly increased interest and support for localisation. Energy and food are consistently being targeted as the most important sectors to re-localise to create local jobs and prosperity, reduce inequality and strengthen societal resilience. These initiatives are found across the country, and are increasingly expanding into areas that deal with financial mechanisms through projects such as complementary community currencies.

The loss of external sources of capital (public and private) since the GFC has intensified the UK's emphasis on local communities building their own prosperity by strengthening their economy first rather than relying on external forces. This experience is particularly relevant and offers alternative positive solutions for a state like Tasmania which has historically focussed on attracting external investment.

Responses to austerity and localisation reinforce the importance of the 'third sector'.

The severe cuts to the public sector in the UK has seen local government in particular re-evaluate the value of and their role in supporting the third sector (non-governmental, generally not-for-profit sector). Much of this has been forced by necessity through severe budget cuts. As a result, local governments have been actively facilitating the formation of social enterprises that can then take on the delivery of services they previously provided. In my interviews, concerns that essential services would not be delivered fairly by the private sector or that there would be no interest from the private sector in picking them up because there would be no significant profit to be made, were repeatedly raised. Collaboration and support for new and existing social enterprises by UK local councils in order to facilitate community delivery of essential services is therefore now a growing phenomenon.

While the circumstances driving the renewed focus on social enterprise is grim, in some parts of the UK this is combining positively with moves to localise the economy, and some communities are seizing it as an opportunity to re-take control of essential services and deliver them along with local sufficiency and jobs. Tasmania can benefit from this experience by looking at these models that break the cycle of focus on solely the quantum of funding available, and challenge the traditional differentiation between the service delivery 'bureaucracy' and 'clients'.

Introduction

The UK's long-standing failure to support effective regional development, combined with the impacts of the GFC and government-imposed austerity measures has seen a renewed interest in re-localising key aspects of the economy as external sources of funding have dried up.

The new interest from regional government institutions is now collaborating with long-standing movements to localise the economy to increase community resilience, and empower them to control the delivery of key services.

In some regions, this approach is also combining explicitly with higher level government goals focussed on responding to climate change and maximising the value of existing natural and community assets, resulting in re-localisation happening alongside more traditional government approaches of seeking to attract new investment and migration, and providing new infrastructure.

This context bears resemblance to Tasmania's economic and social situation, and to explore the relevance of the approaches I met with key organisations that have researched and developed methodologies related to localisations, and people in local government and social enterprises across the UK involved in implementing economic localisation.

I am grateful to the many individuals who made time to meet with me and discuss their experiences and ongoing work.

Leveraging natural advantages

Scotland and renewable energy

Electrifying the vehicle fleet

With a greenhouse gas reduction target of forty-two per cent by 2020, a significant new focus of the Scottish Government's renewable energy and climate strategy is to utilise renewably generated electricity to transition its vehicle fleet off reliance on fossil fuels. The focus is therefore on rapidly increasing the uptake of electric passenger cars and light commercial vehicles, and using renewable energy to create hydrogen as a fuel source for heavier road transport and freight. To this end the Scottish Government has offered considerable subsidisation for the purchase of electric vehicles, including by local councils and has been rapidly installing a network of electric vehicle recharging stations across the country.

The cities of Dundee and Aberdeen are of commensurate size to Tasmania's Launceston and Hobart respectively, and are at the forefront of the uptake of electric and hydrogen vehicles. I met with the vehicle fleet manager of the Dundee City Council, Gary McRae, to discuss his experience in switching their vehicle fleet over to electric, and encouraging the public uptake of electric cars. The discussion was revealing and helpful to understand the practical realities of driving the uptake of electric vehicles both by a bureaucracy and as part of supporting their uptake by the general public.

Scotland is also supporting car clubs – where people for a small membership can access cars at cheap hire rates as an alternative to car ownership – to drive the uptake of electric vehicles. Co-Wheels, a national car club and social enterprise, have targeted Aberdeen for the uptake of electric vehicles in its car share fleet with successful results.

Because Scotland is investing in electrifying its vehicle fleet, conversations soon revealed that they were receiving a substantial benefit in being courted by vehicle manufacturers as a testing ground for new car models, resulting in discounted upfront costs and strong technical support. The Council of Aberdeen is also about to launch a fleet of hydrogen-powered public buses, with the electrolytic hydrogen power station nearing completion and the bus fleet already purchased with ongoing support from the Dutch company who specialises in them.

Supporting community renewable energy projects

Scotland has also been assisting its remote communities in the Highlands and Islands region to install renewable energy. The purposes of these installations are to provide local, stable power supplies, local jobs, and a perpetual source of new income to reinvest in these communities, which have all suffered from population decline, a lack of economic diversity, and the disadvantages of remoteness.

Renewable energy generation developments have typically been linked with community land buy-back initiatives, where local communities have collectively agreed and successfully funded and negotiated the purchase of large private estates, managing the land through community trusts. The dominance of large private estates upon which many remote and small communities live effectively on sufferance has been a major stumbling block to appropriate development and jobs creation, and renewable energy installation has offered many of these newly empowered communities a relatively immediate source of control and income. It is a tangible demonstration of the potency of renewable energy as an agent for positive economic and social change.

Through meetings with various community land trust representatives and founders across the Western Isles, the benefits of community empowerment, the ability to install critical infrastructure which centralised governments had long delayed, jobs creation and stable income from renewable energy to invest in other community needs were consistently raised.

The Scottish Government has supported community land trusts and renewable energy schemes principally through the Highlands and Islands Enterprise (HIE), its economic and community development agency for the eponymous region. This highly regarded organisation is unusual in being tasked with economic and social goals, and this combination of objectives was acknowledged to me by both HIE and community representatives as the key to why it had supported the successful land trust model, rather than continuing to support centralised planning approaches which had failed remote Scottish communities.

Leveraging renewable energy as an advantage for other economic sectors

Scotland has a clear strategy of attracting industry based on the competitive advantage provided by renewable energy. I explored one example of this with the arts sector. Scotland has areas, particularly Dundee, that have focussed on growing their creative economy through the games development industry and allied sectors using similar technical and creative expertise. Such media often require intensive computer usage and concomitant energy requirements, resulting in energy demands similar to server farms. By offering a combination of a skilled workforce, cool environment and renewable energy, Scotland is actively leveraging its natural advantages to expand creative industries in concert with renewable energy, offering jobs growth and diversification to smaller cities and towns.

South-West England, food and heritage

The strength of Tasmania's tourism sector is based on natural and European heritage and a growing recognition of its fine food. At present these experiences are not particularly integrated, and importantly the state is still effectively stratified in terms of access to the benefits. This is best exemplified by the growing international celebration of Tasmanian fine food, yet local Tasmanians themselves are dealing with unacceptable levels of food insecurity.

South-West England is comparative to Tasmania in natural and cultural assets as well as a strong regional food brand. Historically its economy also has similarities in particular with North-West Tasmania – a reliance on mining and fishing, and historic socio-economic disadvantage.

Dartmoor National Park and surrounds offer a particularly successful example to North-West Tasmania. Key features are a focus on domestic tourism to ensure that recognition of the quality of local food flows onto day to day purchasing habits back home; the celebration and pride of place given to ancient human history as part of the tourism experience; the incorporation of more recent mining, agricultural history and artistic history; and the explicit placement of the Park as a regional economic asset.

In a similar vein, the Lost Gardens of Heligan combines an outstanding cultural experience with demonstration conservation farming, the preservation of heritage farm breeds, and promotion of local food. Tourism experiences in South-West England therefore repeatedly reinforce the value and centrality of local food culture, just as many of the cafes, restaurants, and boutique accommodation showcase local produce through the 'Taste of the West' branding.

This successful promotion of South-West food has not only supported small local farms to stay in business, it has allowed the rebuilding of a cooperatively-owned local food supply chain that has multiplied available local jobs, and benefits resident communities, not just tourists. The capitalisation on local food tourism has gone hand in hand with strategic initiatives that have ensured the restructured local food supply chain can service the local community, particularly those that are disadvantaged. A good example of this is the new neighbourhood cooperative food box scheme in Bristol's poorer suburbs that connects households in small collectives direct to farmers.

The value of holistic goals

A striking feature of the rollout of renewable energy and transport strategies for Scotland was the level of cooperation between the public and private sectors and communities. The critical factors cited consistently to me for this level of cooperation and success were a shared common understanding and agreement of the over-arching goals reflected by the Scottish Government's targets and the social and economic benefits flowing to communities at all scales. These manifest as purposeful implementation.

In Cornwall and Devon, the emphasis on a tourism experience that benefits the local economy not just through the injection of external funds, but the explicit support for local enterprise that equally serves the local community was striking. It also offered a lesson to Tasmania in how to celebrate and maximise the benefit of invaluable Indigenous culture.

Examples of economic re-localisation

The UK has historically failed at regional development not least because of difficulties arising from its highly centralised constitutional governance arrangements. Since the GFC and the imposition of austerity Westminster regions have further experienced an acute loss of foreign investment and government funding. This combination of chronic and acute decline has seen a marked increase in economic re-localisation as an alternative path to regional community resilience.

Organisations like the New Economics Foundation (NEF) and the Centre for Local Economic Strategies (CLES) have developed methodologies that map the flow of capital in a particular region, and have worked with local government and communities to complete this mapping and use it as a way to identify ways to 'plug the leaks', that is, to prevent the flow of money out of a given local economy.

At the same time the Transition Town movement has completed research to demonstrate the key economic sectors that require intervention and in particular, localisation, as part of a process of strengthening holistic climate resilience.

These two approaches have greatly converged over the last few years, with a number of key processes now evident, which I examined during my trip.

Increasing local procurement

Mapping the flow of money available in communities has greatly increased the prioritisation of local procurement. Efforts to increase local procurement have centred on gaining traction with 'anchor institutions' – that is entities that have significant budgets to expend as part of providing services to the community in question such as education and health facilities, local governments, and private sector operators.

In addition to working with anchor institutions, organisations driving local procurement have also focused on building the capacity of local providers to compete for contracts. I met with Preston Council who have a comprehensive local procurement program, and with their limited resources, assisting local businesses effectively compete for contracts from anchor institutions is a key activity to deliver their employment goals. Preston and other councils are also putting an emphasis on supporting the transition of local businesses to cooperative employee-owned models as a way of ensuring longevity and loyalty from these service delivery businesses to their community.

Similarly the organisation Localise West Midlands is working with a new hospital developer on the outskirts of Birmingham to ensure local procurement is part of their ethos and contract implementation and those local suppliers are ready to bid competitively. Their calculations show that if the new hospital increases its local procurement from just one of its three major regular supply streams by ten per cent, this will inject an additional £13 million into the local economy, a highly disadvantaged community.

Evidence I gathered from my meetings regarding local procurement clearly demonstrated the monetary and social wellbeing benefits of this approach.

Localising key economic sectors

While in part dealt with through local procurement practices, there are also separate and distinct projects focussed on key sectors that have been identified as both the most critical and easiest to localise for climate and broader community resilience. These projects have consistently focused on community-owned renewable energy to supply a locality, and re-localising the food supply through support for small to medium farming enterprises and value-adding enterprises in particular. Community-led renewable energy projects in remote Scottish regions provided one example, and I also discussed other more complicated projects with NEF and other entities, such as projects underway to create mutual entities that invest in and supply boroughs in cities as big as London.

Similarly efforts to increase access to fresh affordable local food in support of local producers and disadvantaged communities has been a significant focus for some communities, and I had the opportunity to learn about new cooperatively organised neighbourhood schemes in disadvantaged Bristol suburbs, the Totnes community buy-back of an old dairy facility for the purpose of offering small farmers the opportunity to value-add to their produce in a variety of ways through processing, and Transition Brixton's urban farming successes.

I was particularly interested in these examples as they deliberately focus on both local farmer viability and increasing fresh food access for disadvantaged communities, a situation that mirrors Tasmania.

Speaking to people working in regional arts industries in areas undertaking localisation also demonstrated the interplay between localisation, community empowerment and identity. Localisation has deepened connections and brought a new appreciation of the value of the arts both economically and socially. For example artists have long used cooperative models to increase their visibility and economic power, and to forge innovative models for establishing commercial space and integrating with social services. Other localisation projects are now learning from these examples and increasingly 'arts' initiatives such as Hamilton House in Bristol and Ragtag in Skye tangibly demonstrate the integration of art, local food, health and energy to deliver services, jobs and cultural expression together.

Case studies in community renewable energy, and the arts and local food projects that I visited in the UK highlighted that Australia can learn from the British experience of explicitly targeting disadvantaged communities for re-localisation of these key sectors to drive positive social and economic outcomes, without sacrificing one to the other.

The rise of community currencies

Complementary local currencies are gaining traction as a means to keep money circulating in a particular community. The positive contributions complementary currencies make towards connecting communities through enterprise and maximising circular financial flows within a locale has been recognised through formal development support from the European Union.

I met with the founders of the Bristol Pound and spoke with people closely involved with the Brixton and Totnes Pounds as part of their localisation projects. Their experience consistently reflected the willingness of local businesses to become involved and accept an alternative currency, along with the local councils, and financial institutions. For example the Bristol Pound is backed by the Bristol Credit Union, which allows people to have accounts in Bristol Pounds, and the local council accepts businesses paying their rates in the currency.

Support from the community has been widespread and uptake of the currency is growing since its launch in 2012. The next stage being actively explored by some complementary currencies is to be able to offer loans to local small and medium enterprises that currently have largely lost access to financial support through the private sector and public grants due to the GFC.

With an economy built around small business and a strong local identity, Tasmania could make an ideal testing ground for the concept in Australia.

Opportunity from the austerity crisis

It was impossible during my time in the UK to have a conversation about community development and transformation that did not include discussion of the impact and implications of austerity measures. Local councils have been particularly hard hit with ninety per cent of their income coming from Westminster, and with cuts of fifty per cent or more, they have had to radically rethink what services they provide, and what role they should play in ensuring the continuing delivery of such services where they can no longer provide them.

Some councils have responded by expressly supporting the creation of community-owned social enterprises to deliver services at not for profit agencies or 'profit for purpose'. Their choice to encourage cooperatives and similar models has derived from an effort to ensure that sections of their community don't lose out through a for-profit model run by companies external to the locale; and as part of explicitly supporting new community-owned models that reflect local priorities.

In other words, although the situation as a result of austerity is dire, communities and their institutions are using the opportunity to rethink service delivery models and the traditional roles of bureaucracy vs. 'clients' and increase community ownership.

Conclusion

My trip to the UK provided me with an outstanding opportunity to view examples of how Tasmania could better leverage its existing advantages, and take a different, more optimistic yet practical approach to its disadvantages.

Scotland and South-West England demonstrated that Tasmania is on the right path in terms of its investment in renewable energy and natural values, but clearly more could be done and there are demonstrably positive outcomes we can learn from.

The response in regional Britain to austerity cuts, combined with longer-term moves to reconfigure local economies for greater holistic resilience provided some fascinating and thought-provoking insights into how a state like Tasmania could respond to its own weaknesses. Rather than focussing solely on foreign private investment as the key to addressing areas experiencing long-term economic decline, localisation projects in the UK demonstrate that thinking and actively intervening about the flow of funding in a community is effective and empowering for disadvantaged communities.

It was equally clear that the political fiction sometimes brandished in Australia, that a job derived from public funding is not a 'real job' and of innately less value to the community than one with private sector funding, is not a view subscribed to in much of regional Britain. This alone is a view that if Tasmania were to adopt, would radically improve the chances of a shift towards better community resilience and economic success.

Appendix - Meetings

London

Rachel Laurence
Local Economies Coordinator
&
Elizabeth Cox
International Partnerships
New Economics Foundation

Duncan Law & Noemi Dulischewski
Transition Town Brixton

Dundee

Gary McRae
Corporate Fleet Manager
Dundee City Council

Julie Craik
Project Manager
FifeScreen and Tay Screen Scotland

Aberdeen

Tony Archer
Regional Manager (North)
Co-Wheels Carshare

Inverness

David Cameron
Director
Community Land Scotland

Alastair Nicolson
Head of Planning and Partnerships
Highlands and Islands Enterprise

Islands of Lewis and Harris

David Wake
North Harris Community Land Trust

Duncan MacPherson
West Harris Community Land Trust

Island of Skye

Anne Annan
Ragtag Social Enterprise

Island of Eigg

Maggie Fyffe
Eigg Heritage Trust

Preston

Councillor Matthew Brown
&
Derek Whyte
Assistant Director
Preston City Council

Manchester

Neil McInroy, Chief Executive
&
Matthew Jackson, Deputy Chief Executive
Centre for Local Economic Strategies

Birmingham

Karen Leach
Coordinator
Localise West Midlands

Bristol

Chris Millman
Advisor to Greens MEP Molly Cato

Ciaran Mundy
Director
Bristol Pound CIC

Jamie Pike
Co-Founder
Co-Exist CIC & Hamilton House

Totnes

Fiona Ward
Transition Towns UK and Reconomy

Princetown

Rachel Hone
Visitor Services Manager
Dartmoor National Park

Cardiff

Matt Francis
Chair
Changing Union

Ceri-Anne Fidler
Policy and Development Officer
Wales Co-operative Centre