

ACTION PLAN PRIORITISATION DISCUSSION PAPER

[2023 – 2024 EMERGING ECONOMY ACTION PLAN]

1. OVERVIEW

The State Government, Lithgow City Council and the other partners and key actors should aspire to take on the full suite of actions recommended in the LEEP Report and its reviews. It is acknowledged, however, that not all partners and key actors are fully committed and engaged in the Lithgow transitions management project at this stage and there is a significant shortfall in the available resources necessary to accomplish all recommended actions.

The governance model for LEEP implementation is founded upon a shared responsibility framework with collaboration central to implementation. Achieving consensus within the context of a largely qualitative assessment of priorities will require discussion and a bit of ‘give and take’.

As Weller et. al. (2021) noted in “Social and Economic Adjustment in the Upper Hunter”:

In applying the experiences of other regions nationally and globally, it is concluded that there is no simple blueprint to a successful transition and therefore experimentation with different approaches, as appropriate to local circumstances, is advisable.

and

Experimentation carries few downside risks: in fact, there is a growing academic literature promoting experimentation – in combinations with networked communication and programmatic interventions – as a means to open up spaces for innovation (Coenen et al. 2010; J alas et al. 2017).

Leading practice transitions management is collaborative, place-based, iterative, and adaptive. Those elements are really the key to the successful prioritisation of actions.

With constrained resources, it is necessary to prioritise recommended actions in some rational way. This discussion paper sets out the sorts of things decision-makers may wish to consider in the allocation of resources. This paper will consider matters of overall strategy, scale of impact and general logic.

2. STRATEGIC CONSIDERATIONS

2.1 A wide rather than narrow range of activities

Disruption caused by large-scale industrial changes or closures have broad economic, social, and often environmental impacts across the 'catchment' for the changing or former industrial activities. In isolation of a planned response, immediate action is conventionally focused on the displaced workforce and business supply chains.

Other less direct impacts, however, can often be longer lasting. The wider community can be impacted as education, industrial and workforce activity, patterns and culture can be slow to adjust – creating a generational disadvantage. Even those outside the workforce can be impacted as community disposable income reduces and, with it, levels of community support. Industrial closures can often leave unresolved environmental issues that, if not resolved, can idle important resources, negatively impact a community's identity and brand, and cause on-going environmental harm.

Successful transition management points to collaboration as the key ingredient and, in that vein, undertaking a broad cross-section of activities is more likely to engage and activate a wider stakeholder interest. A wide range of activities is therefore encouraged over a narrower set of activities with the aim of keeping community actors engaged and leaving no one behind.

2.2 Activities that build the engagement by or capacity of community actors

Collaboration and commitment by as many community actors is one thing, but having the capacity and resources to engage meaningfully is another. Other things being equal, activities which quickly strengthen the engagement and capacity of as many community actors as possible should be preferred over actions which do not. This increases the resources being brought to the transitions management task and the quality of the community collaboration.

2.3 Activities that align with Federal and State government priorities and leverage competitive grants

The Federal and State Governments have many competing priorities. Evidence-based research and alignment with government policies and priorities is the surest long-term way to secure their necessary resources for the transitions management task. Examples include the investigation, design, and business case assessment of potential projects.

2.4 Activities over which a particular community actor has greater responsibility or control should, other things being equal, more typically lie with that actor

Leading practice encourages a shared responsibility framework because the transitions management task requires resources which reach beyond any one community actor. Early on, however, or if not all key community actors are engaged in the collaboration, it may be necessary to prefer actions over which participating community actors have a greater responsibility or control.

3. SUBSTANTIVE CONSIDERATIONS

3.1 Activities that build the capacity, agility and the adaptivity of the workforce and future workforce

The consensus is that building workforce and future workforce capacity, agility and adaptivity is the best investment in building resilience to economic disruption. People are the community's greatest resource.

Equipping our young people to ride the wave of the unpredictable changes they will experience over their working lives also relies fundamentally on giving the next generation of workers opportunities to develop the flexible, technical, real-world skills that are in demand from employers. It is thought that, pound for pound, this activity has the highest economic and social rate of return and should, other things being equal, be preferred over other activities.

3.2 Activities that foster a leading practice corporate culture

The implementation by key industry actors facing industrial change or closure of leading-practice corporate policies can dramatically reduce the impact of

industry disruptions. These can include the early implementation of ‘no forced redundancy’ and worker transfer scheme policies, together with whole-of-family support planning. These activities can have a very high rate of return.

3.3 Activities that leverage sustainable private sector investment

The vast majority of the economy is generated through private sector investment and activity. Public funding of the transitions management task is not unlimited nor sustainable in the long-term. Activities which facilitate sustainable private sector investment should be preferred over activities which only temporarily resolve all but the most acute short-term hardship.

4. LOGICAL CONSIDERATIONS

4.1 Importance verses urgency

The importance of an action relates to the net beneficial impact of the action’s implementation against not undertaking the action. Typically, more important actions are implemented before less important actions. Urgency, on the other hand, deals with the problem that some actions will be time dependent and their importance changes over time. Not giving those actions priority may mean the importance of that action changes adversely over time.

4.2 Likelihood vs consequence

The net beneficial impact of an action against not implementing the action has two aspects – likelihood and consequence. The potential impact of implementing an action may be very high but if the likelihood of the action succeeding is very low then resources might be better spent elsewhere. For example, the consequence of successfully encouraging an important but unwilling community actor to engage in the transitions management task may be considerable but the likelihood of it being successful may be very low. In such a case, scarce resources may be better spent elsewhere.

4.3 Individual vs collective benefit

It’s worth noting that multiple different prioritisation decisions can nonetheless be simultaneously rational. The optimal outcome is to advance a

collective and mutually beneficial transitions management or at least get as close as possible.

For this purpose, the selection of individual prioritisations might not produce an optimal outcome if, for example, all community stakeholders don't receive some benefit. It may mean that, notwithstanding individual importance or urgency, spreading the activities across a broad range of stakeholders creates an optimal result for everyone.