



City Economy Strategy 2023 – 2028



City of **HOBART**

The City of Hobart lies on the traditional country of the muwinina people. We acknowledge the deep connection of the Tasmanian Aboriginal people to this place and their role as ongoing custodians of the land, and pay respect to their elders past, present and emerging. It is a privilege to stand on their Country.



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Lord Mayor's Message



I am delighted to present the City of Hobart's City Economy Strategy 2023 – 28.

Hobart's new City Economy Strategy harnesses The Hobart Difference to guide our future economic direction for the city over the next five years—in conjunction with the Invest Hobart Prospectus.

This is an exciting time to live, work and do business in Hobart. As the State's Capital City, Hobart is at the centre of what makes Tasmania special and a thriving home for the best our island has to offer. We have a growing reputation for being a lifestyle Capital City and an exciting place to create ideas, invest and do business.

Our City is the focal point for knowledge and innovation, arts and culture, hospitality, recreation and public administration in Tasmania. We continually strive for Hobart to be liveable, sustainable, and the engine of prosperity for our economy—an aspiration which drives the City Economy Strategy.

Developed following extensive public and stakeholder consultation, the City Economy Strategy aims to grow a successful and vibrant local economy. The City Economy Strategy sets out the future direction for the City over the next five years. It provides a guide for how we will support existing local businesses, maximise local employment and attract investment. We also plan to improve our visitor experience as a gateway to the rest of Tasmania and as a unique destination in our own right.

This strategy will help to invigorate Hobart as a centre for economic activity and continue to grow the internationally important work as an Antarctic gateway city and city of science.

Thank you to the local business community and stakeholders for their contribution to the development of this strategy. The continued success of the strategy relies on us all working together.

Our city is a unique and beautiful place, full of inspiration, innovation and opportunity. I look forward to seeing the growth and opportunity the next five years will bring to Hobart.

A handwritten signature in blue ink, appearing to read 'A Reynolds', written in a cursive style.

Cr Anna Reynolds
Lord Mayor

City at a Glance

Population



56,043¹
(571,540 TAS)

Productivity



\$8.3B
GSP (2022)²
\$1.86B
Total Local Spend
2022-23

Business and Jobs



6,874³
Businesses registered
in Hobart LGA
23.7%
of total employment
in TAS

Wages and Growth



\$1,850
Median weekly income⁴
13.1%
of growth Headline
GRP since 2018⁵



1. Community Profile.id 2021
2. Economy id. 2022
3. ABS Census of Population and Housing 2021
4. Spendmapp by Geografia 2023
5. Economy Profile .id 2021
6. Community Profile.id 2021

Characteristics of the Hobart Economy



Top Three Industries by Productivity

- Health Care and Social Assistance
- Public Administration and Safety
- Financial and Insurance Services



Top Four Industries by Total Registered Businesses (2020 – 2022)

- Professional, Scientific and Technical Services – 16.7%
- Health Care and Social Assistance – 12.9%
- Rental, Hiring and Real Estate Services – 12.4%
- Construction – 9.4%



Top Three Occupations

- Professionals – 36%
- Managers – 14.5%
- Community and Personal Services Workers – 13.5%



Key Demographics

- Median age 37 years (compared to 38.5 nationally)
- Younger people (aged between 25-34) in the workforce – 19.5% (14.3% nationally)
- Percentage of the workforce who hold a bachelor's degree or higher – 49% (39.8% nationally)
- Socio-Economic Advantage rating of 1062, compared to 945 state average (ABS, SEIFA 2021)¹



Sustainability Credentials

- 100% renewable electricity generation
- 1st City in Australia to introduce single use plastics ban
- University of Tasmania rated # 5 in sustainability globally²



International Relationships

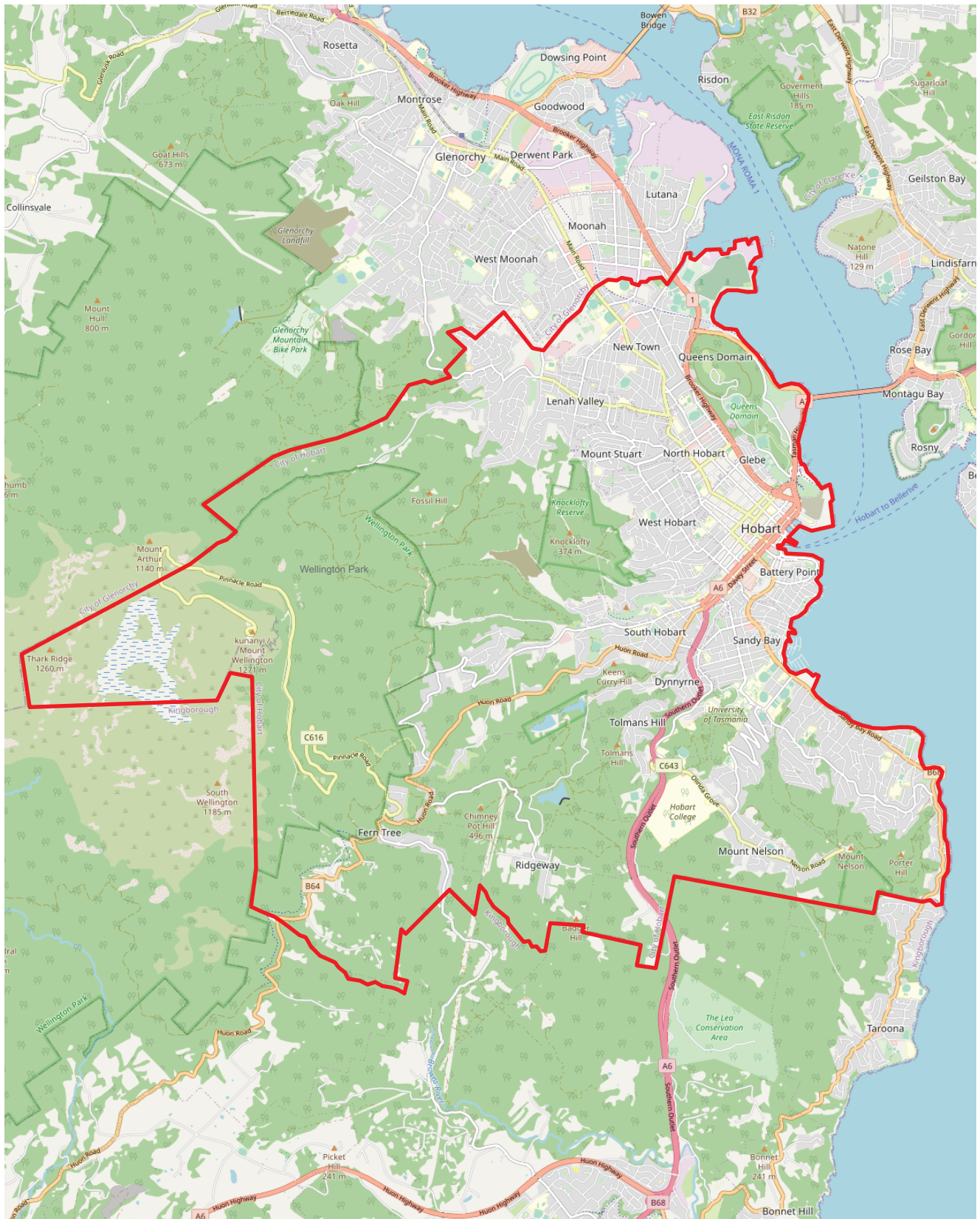
- Sister City to Yaizu, Japan since 1977
- Sister City to L'Aquila, Italy since 1998
- One of only five Antarctic gateway cities in the world³

1. SEIFA Index where a higher score reflects a lower level of overall disadvantage, (i.e. unemployment, low income, education level, low skilled occupations, English proficiency etc.)

2. The Times Higher Education Impact Rankings 2023

3. The other Gateway Cities are: Cape Town (South Africa); Christchurch (New Zealand); Punta Arenas (Chile) and Ushuaia (Argentina).

City of Hobart Local Government Area



Background



As the capital city of an island state, we'd grown used to being back-of-mind for most people.

Hobart has always been a great place to live and work, it always had a neighbourly culture and a welcoming community, and it has always been a stunning place to visit. But it wasn't often thought of as a city where organisations would thrive. Now, that's all changed.

'Tasmania is once again the country's best performing economy, according to CommSec's State of the States report' (CommSec, May 2023). As the capital city of Tasmania, and the main entry and exit hub for almost 70% of all visitors to the state, Hobart plays a vital role in advocating and promoting the breadth of unique experiences, produce and services on offer, not just in

Hobart but throughout our entire state. We are 100% self-sufficient in renewable electricity generation and as one of five gateways to Antarctica we are a hub for ocean, climate, fisheries and medical research supported by a strong maritime logistics and training capability.

These strengths are borne from being a small island state capital city that is full of resilience and ingenuity. These characteristics, coupled with our competitive advantages compared to other Australia cities, affords us significant opportunity to leverage new markets and investment opportunities as the epicentre of Tasmania's economy. As a local government city council, we play an important role in the sharing economic and social prosperity, both facilitator and connector. We champion our differences from our mainland counterparts through our competitive advantages, while encouraging business and investment that maximises these strengths and are uniquely Tasmanian.

What is Local Government Economic Development?

Since March 2022, Council has engaged with researchers from the University of Tasmania’s College of Business and Economics to assist in defining economic development for local government, in conjunction with work undertaken by University of Technology, Sydney (UTS); the Centre for Local Government and the Local Government Association of Australia (LGAA).

In addition, council officers, (seeking advice from economic subject matter experts), have reviewed and collated the

priorities across regional and urban Australia and other jurisdictions globally covering Canada, U.K., Finland, New Zealand and the Netherlands.

Findings identified that impactful local government economic development is based on:

- a) local responsiveness and
- b) place-based approaches in the development of economic development strategy.

Based on research, we define local government economic development as:

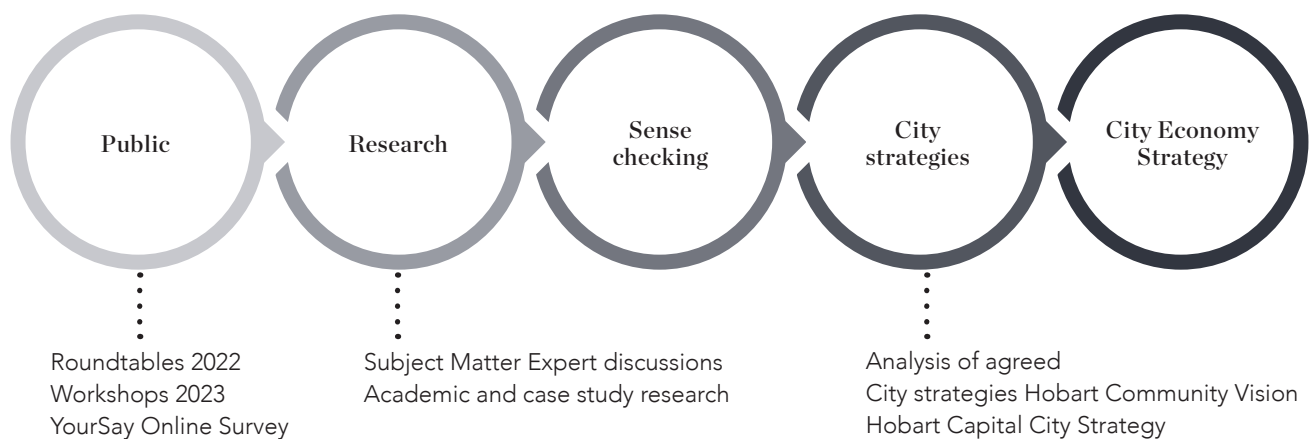
‘a collaborative effort involving industry, government, not-for-profit and community partners, that focuses on improving quality of life by unlocking & dispersing economic prosperity; enhancing the competitiveness of businesses; attracting global sustainability driven investment that supports a vibrant, liveable and connected city.’

Engagement and Feedback

Hobart’s City Economy Strategy has been developed through consultation and engagement with business owners, developers, residents, researchers, and representatives across all levels of government. The strategy will leverage our strengths and opportunities, while also considering the challenges facing our city both now and into the future.

Feedback collected over an 18-month engagement process has been incorporated into our City Economy Strategy to define our priorities, establish outcomes, and formalise the role of the City of Hobart in the local economic development of Hobart, in conjunction with the Tasmanian and Federal Governments.

Figure 1: Process outline



Our Competitive Advantages



Hobart has a rich mix of competitive advantages that are a product of our place, people and attitude to the way we work, live and solve problems.

Geography

An island state offering clean air and water, and one of the most accessible natural deep-water ports in the world.

Antarctic and Science Gateway

Home to globally leading research in Marine and Freshwater; fisheries; oceanology and the Institute for Marine and Antarctic Studies (IMAS).

Our Visitor Economy

Home to three of most visited attractions in the state: Salamanca Market, kunanyi/ Mt Wellington and the Royal Botanical Gardens.

Cultural and Creative Industries

A cultural and creative powerhouse, home to internationally renowned events and a vibrant year-round festival calendar.

Renewable Electricity and Greenhouse Gas Emission Pathways

Tasmania is on track to reach 200% renewal electricity by 2040 to become an exporter of green electricity into the national market.

Development Potential

Developing a draft Central Hobart Plan is part of an ambitious program, Future Hobart, which will build on what already makes Hobart great.

Educational Experiences and Workforce Capability

49% of resident workers hold a bachelor's degree or higher, compared to the just over a third of the workforce nationally.

High Value, High Learning Industries

Make up almost half of the total employment in the city.

Local Connectedness and Global Proximity

Made up of local networks and connections to our neighbouring countries that make it easier to do business.

Natural Environment and Amenity

Astoundingly beautiful wilderness is easily accessible to residents and visitors alike.

Opportunities For Future Growth

In addition to growing the capacity and capability of our existing competitive advantages, we celebrate and leverage a variety of emerging and planned growth and development opportunities.

- Macquarie Point redevelopment & Antarctic and Science Precinct
- Improved safety and security to build foundation for future Port of Hobart upgrades
- Local Business Support and development
- International Education experiences and facilities
- Increasing business capability to support a circular and decarbonised economy
- Digital transformation and Artificial Intelligence adoption
- Retail, culture, arts, and night-time economy
- Place and neighbourhood planning for growth

Challenges

By leveraging our competitive advantages and investing in solutions to challenges, the City of Hobart will support social and economic prosperity. The following items are presented as key strategic challenges to the future vibrancy and prosperity of the city.

Cost of Living Pressures

While Hobart recorded (pre-pandemic) the fourth highest total local spend in June 2023⁹, thanks to winter major events and inter-state visitation, the city is not immune to the impacts of cost-of-living pressures. On a rolling monthly 12-month period basis (year ending February, then March etc) a softening in spend is evident for domestic visitors¹⁰, with higher fuel prices and wages continuing to drive a higher cost of travel both now and into the foreseeable future. Work from home trends continue to challenge many city businesses, interest rate rises, and inflation are increasing the cost of doing business, particularly in the areas of energy, rent, wages and materials, while simultaneously lowering the discretionary capacity of many consumers. Increased costs of construction materials, continues to have a significant impact on Development Approvals reaching completion. This creates a flow-on-effect on both affordability and accessibility of housing in the LGA and is a key barrier in building workforce capacity and supporting a diversified population that welcomes migrants and supports the needs of those seeking accommodation that is in close proximity to work, entertainment and services.

Tasmania's economy has led the country as the best performing economy 11 times in the last three years¹¹. However, with accommodation and food services representing around 9% of Hobart businesses¹² and visitor local spend equating to almost 70% of total local spend at \$1.3b annually¹³, the city is highly geared towards discretionary expenditure. The City of Hobart recognises the opportunity for business diversification to build economic resilience and the importance of unique and compelling services and product offerings to drive visitation

and the underlying importance of our professional, science, health and construction services that can underpin economic resilience during a potential period of fiscal restraint. The initiatives presented in this strategy demonstrate practical actions to be undertaken by local government in response to these challenges, where Council has an ability to influence matters under the Local Government Act (Tas) 1993.

Unplanned Population Growth

The Australian Government predicts that Greater Hobart's population will increase from 251,000 to 298,000 over the next decade, while Tasmania's population is forecast to grow to 647,000 by 2033.

Inner City Housing Supply

Housing supply issues will be examined through appropriate precinct planning with Council and key stakeholders.

Zero Emissions Economy and Climate Action

The City is committed to building the capacity of local businesses to embrace change, take advantage of Government funding and support adopters of circular economy principles and leaders in sustainable business practices.

Liveability

For Hobart to function as a safe, supportive community with employment opportunities, affordable and accessible housing, traffic and transport options and vibrant events, we will require a shared approach between all levels of Government, businesses, and community to effect change. This strategy represents a commitment to that process and the role of precinct planning to shape our city.

A Skilled and Mobile Workforce

Linking businesses to additional skills and employment programs along with promoting the local impact of migration programs, will assist local businesses to access appropriate training and skilled workers ensuring new arrivals to the city feel supported and welcome. The City of Hobart as an organisation plays a lead role in offering internships, apprenticeships and graduate opportunities that keep local talent in the city

9. Expenditure Time Series, Spendmapp by Geografia June 2023

10. Tourism Tasmania, Tourism Snapshot year ending March 2023.

11. Comsec State of the States Report May 2023

12. Economy .id Registered Businesses by Industry, 2022

13. Annual Expenditure Overview, Spendmapp by Geografia June 2023



Vision Statement

‘To be an extraordinary small capital city,
that is sought after for our ‘Hobart Difference’

The Hobart Difference

- 100% self-sufficient in renewable electricity
- Positive impact tourism
- A remarkable sustainability story & stunning environment
- Hobart’s hardworking people
- Bustling with digital productivity
- A safe, healthy and prosperous community
- A renowned science and Antarctic sector
- A city built by inventive minds
- Our thriving education industry
- Packed with development potential
- A cultural and creative powerhouse
- A city that is welcoming to all

Strategic Priorities

1. Plan for our collective social, economic and environmental prosperity

Partner with key stakeholders to deliver initiatives that support the needs of our wider community and strengthen our local economy as a small island state capital city.

- 1.1 Advocate for City's lead role in harnessing the opportunity presented by the visitor economy
- 1.2 Deliver initiatives that expand or enhance our night-time economy programs in the City
- 1.3 Deliver 'buy local' processes as part of the City's procurement policies that support local businesses
- 1.4 Partner with subject matter experts to understand and support the key catalysts that enable high impact and high value night-time economy activity
- 1.5 Partner and deliver programs that are inclusive, foster well-being and enhance quality aspects of city life, including short-term tactical interventions to improve public amenity
- 1.6 Partner with government and business to develop programs that support local inventiveness and innovation
- 1.7 Partner on projects that support local businesses to transform to a zero emissions economy and to implement locally relevant UN 2030 sustainability goals
- 1.8 Advocate for additional infrastructure that supports our precinct plans and promotes increased public transport use and micro-mobility
- 1.9 Deliver neighbourhood, vision and structure plans across the city that accommodate population growth and support businesses

2. Attract responsible investment to unlock an inventive and inclusive economy

We support initiatives and partnerships that unlock potential and encourage well-planned and socially responsible development and growth.

- 2.1 Partner with State and Federal Governments to introduce our businesses to international markets
- 2.2 Deliver data insights that empower local businesses
- 2.3 Deliver investment attraction and promotional collateral to facilitate new knowledge-based industry investment
- 2.4 Deliver the business grants program
- 2.5 Partner with stakeholders to develop initiatives that attract, retain, and develop Hobart's workforce
- 2.6 Support local investment in new business via Hello Hobart
- 2.7 Advocate for the development of strategically important sites
- 2.8 Partner with the entrepreneurs, investors, and the business sector to access funding opportunities and facilities that support business innovation

3. Position Hobart as an enviable place to visit, live and do business

Hobart is viewed as a desirable commercial, cultural, residential and visitor destination.

- 3.1 Partner with Government stakeholders to grow the recognition of our competitive advantages
- 3.2 Deliver Neighbourhood Precinct Plans
- 3.3 Advocate for local opportunities that connect international students to the Hobart community
- 3.4 Advocate for infrastructure which is strategically important to the city and the region including cultural, transport and community infrastructure
- 3.5 Deliver programs to foster night-time economy, cultural and creative activity that enhances the visitor experience and supports business in the City
- 3.6 Partner with State Government and business to develop initiatives to improve safety and security
- 3.7 Deliver real time parking information and dynamic wayfinding to support more efficient use of city infrastructure and amenity
- 3.8 Support cross-sector and community collaboration, incubation and testing of new solutions and initiatives to address city challenges and opportunities
- 3.9 Deliver outdoor dining guidelines to provide best practice advice, direction and support for street-side activation
- 3.10 Partner with stakeholders to deliver a State of the City dashboard to provide social and economic data to and for the city

4. Promote and leverage Hobart's uniqueness and celebrate the Hobart Difference

Hobart is a city with a remarkable sustainability story, stunning environment, a renowned science and Antarctic sector, and a reputation for being built by inventive minds.

- 4.1 Partner with the Hobart community to become one of the nation's greenest cities, including initiatives to contribute towards our goal of achieving 40% tree canopy cover across the city by 2046
- 4.2 Partner with State and Federal Government to explore the future potential of Hobart's natural environment, including kunanyi/Mt Wellington access and dispersal and leveraging our natural surroundings for iconic events and experiences
- 4.3 Partner with stakeholders to elevate our Antarctic gateway status as part of our urban identity and to realise the potential of being one of five Antarctic gateway cities globally
- 4.4 Partner with stakeholders on projects to pilot new technologies
- 4.5 Promote our sustainability credentials, to increase public awareness and attract likeminded businesses and investment
- 4.6 Partner, advocate and deliver a climate leaders network and deliver a Hobart Climate Strategy
- 4.7 Advocate for, support and promote our artisan producers, business and events
- 4.8 Deliver a Hobart City brand

Monitoring Progress

This plan has been developed to track progress towards achieving our objectives. Not all of these objectives are in our direct control, however we are committed to monitoring these trends to ensure we are progressing towards our objectives.

To effectively monitor trends, data captured during the 2021/2022 financial year will be used as a baseline (where available). If such data is not available or representative, then a different year may be used and communicated.

Reported increases are based over the life of the strategy, rather than on a consecutive annual basis.

Strategic Priorities to Monitor	Desired Outcomes
<p>Plan for our collective social, economic and environmental prosperity</p>	<p>Through leveraging emerging and planned growth opportunities, Hobart continues to strengthen its role as the capital city of Tasmania. It is a major gateway for visitors, known for its natural beauty, clean environment, renewable electricity and unique culture and culinary offerings.</p>
<p>Attract socially responsible investment to unlock an inventive and inclusive economy</p>	<p>Hobart understands its businesses needs and supports initiatives and partnerships that unlock potential and support development and growth.</p>
<p>Position Hobart as a desirable commercial, entertainment and residential centre and visitor destination</p>	<p>Hobart understands its businesses needs and supports initiatives and partnerships that unlock potential and support development and growth.</p>
<p>Promote and leverage Hobart’s uniqueness and celebrate the Hobart Difference</p>	<p>Hobart is a seen as an enviable place to visit, to call home and to do business for both our Tasmanian community and people from across the globe.</p>

Our Role



Advocacy



Local and International Partnerships



Networker and Connector



Planner



Provider



Capacity Builder

Monitoring Outcomes

- Opportunities for businesses to benefit from visitors to the city
- The number of businesses engaging in night-time economy activity
- Segmented consumer spending on retail, food & beverage, and night-time economy activities
- The number of local businesses on the City's supplier contracts
- Business uptake of sustainability practices in line with UN 2030 sustainability goals

- Value of State and Federal funding investment in public transport
- Release structure and neighbourhood plans for relevant city precincts
- The number of engagements with Hello Hobart and City promotional campaigns
- Change in positive public sentiment towards city life and public amenity
- Reported safety incidents

- The number of businesses referred to State and Federal government programs
- The number of start-up businesses in knowledge-based industries
- The number of businesses engaging in information and data insights sharing
- The number of new migrants relocating and staying in Hobart LGA

- The number of interns and graduates supported by the City
- The number of private investment enquiries

- The number of international partnerships and engagements
- Connections and opportunities for international students
- Changes in public infrastructure
- Improved customer service for businesses via Business Concierge
- Increase in night-time economy and events activity
- Population growth within the LGA

- Increase in migration/migrant worker visas
- Improved public sentiment towards crime and anti-social behaviour incidents
- Improved experience for patrons dining outdoors
- The availability of social, economic and parking data
- The number of businesses participating in incubator programs

- Progress towards 40% tree canopy by 2046
- Improvements to the visitor experience in the City's natural places
- The number of promotional opportunities that highlight the City's Antarctic status
- Progress towards zero emissions and circular economy principles

- Businesses' awareness of the City's sustainability credentials
- The establishment of Climate Leaders Network
- Visitation and engagement with 'Hello Hobart'
- Awareness and adoption of Hobart City's place brand

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