

CITY OF HOBART

ECONOMIC DEVELOPMENT STRATEGY DRAFT

MARCH 2017



City of **HOBART**

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1. **FOREWORD:** LORD MAYOR OF HOBART



2. EXECUTIVE SUMMARY

This Economic Development Strategy is intended to guide the work of the Economic Development Unit at the City of Hobart over the next four years (2017–21) to contribute to Hobart’s economic performance.

The strategy is based around four main themes:

- 1) Focus on Partnership**
- 2) Increase our Knowledge and Capability**
- 3) Build on our Strengths**
- 4) Enable our Future**

Annual action plans will be drawn up for the four themes, ensuring the work remains relevant to both the economy and community.

The development of these action plans has been the result of the gathering and analysing of a number of sources of evidence, including data from the Australian Bureau of Statistics, City of Hobart strategies and research conducted by the AEC Group¹ including significant stakeholder engagement.² This evidence and the thinking that has led to the Economic Development Strategy is available in a supporting background paper available on the webpage hobartcity.com.au/Business

Although this strategy focuses on the work of the City’s Economic Development Unit, it is clear that economic development involves many groups, organisations and individuals. The action plans capture not only the City’s work but also its contributions to efforts led by other stakeholders.

¹ AEC Group is a company specialising in innovative and evidence-based analysis to inform strategic decision making: www.aecgroup.com.au

² Stakeholders include groups, organisations and individuals whose efforts contribute to the economic performance of the city.



3. ECONOMIC DEVELOPMENT DEFINED

There are a number of definitions of economic development which are considered in the accompanying background paper. With these in mind, the following definition was developed to describe the role of the City of Hobart in economic development:

‘Economic development means how the City of Hobart uses its economic, cultural and political knowledge to facilitate changes that improve the performance of the local economy for the benefit of the whole community.’

CITY OF HOBART AND ECONOMIC DEVELOPMENT

Sometimes the City leads economic activities and sometimes it supports the activities of other stakeholders. The following economic activities are undertaken across the organisation:

Direct Investment – into infrastructure, services and events

Marketing and promotion – of investment opportunities, events and aspects that make Hobart unique

Support – through grants, delivery of services, information sharing and sponsorships

Advocacy – using the status of a capital city council to lobby for change necessary to improve economic performance

Leadership – recognising the influence of the City of Hobart as a major employer, purchaser and change agent

Networking and partnership – using the City of Hobart’s political, economic and cultural knowledge to bring stakeholders together to deliver economic benefits to the community.

ROLE OF THE ECONOMIC DEVELOPMENT UNIT IN ECONOMIC DEVELOPMENT

The role of the City's Economic Development Unit is logically more focussed than the role of the City set out previously. The unit's focus will be on:

Leadership – Leading the way in economic development in the state as an influencer, innovator and forecaster of economic challenges and opportunities. The unit will translate these forecasts into tasks in each yearly action plan to contribute to the improved economic performance of Hobart. Actions could include pursuing funding for a key infrastructure project in Hobart, managing the commercial development of a City-owned asset or hosting an international delegation.

Networking and partnership – Using City knowledge and resources to introduce organisations and individuals with common goals. Providing opportunities and support for such stakeholders including the City of Hobart to exchange knowledge, collaborate, make informed decisions and deliver initiatives that contribute to improved economic performance.







4. AIMS

If part of economic development relates to improving the performance of the economy, what does this look like to the City of Hobart? The following points set out what the City is trying to achieve or contribute towards. Section 10 sets out how these achievements will be measured.

- **Better understanding of Hobart** – The deeper the understanding of the economy of Hobart and beyond, the more informed the decision making by both the Council and stakeholders. The City of Hobart has the opportunity to be a leader when it comes to economic forecasting, policy development and implementation. Sharing this intelligence with stakeholders will result in the increased performance of the economy. There is also an opportunity for the City of Hobart to further develop its own knowledge through greater engagement with the business community.
- **More people** – More people contributing means greater economic opportunities, the nature of which will depend on the people involved. A larger population will provide greater opportunities for businesses (e.g. retail, tourism) to attract customers. More students living and studying in the inner city will boost demand for retailers (as above), as well as present longer term economic benefits associated with skilled people living and working in Hobart. A larger population is also generally able to sustain a broader range of industries which provides more employment opportunities and therefore economic resilience.³ 'More people' may mean attracting new residents but could also involve enabling community members to contribute economically in ways they currently do not. *The City of Hobart's Social Inclusion Strategy*⁴ guides the work of the City in enabling community participation, which includes economic participation but also other aspects such as education and enjoying a healthy lifestyle.

³ Department of State Growth, Tasmanian Government, Population Growth Strategy viewed 22 February 2017, stategrowth.tas.gov.au/_data/assets/pdf_file/0014/124304/Population_Growth_Strategy_Growing_Tas_Population_for_web.pdf

⁴ City of Hobart, Tasmania, Social Inclusion Strategy, viewed 10 February 2017, hobartcity.com.au/Publications/Strategies_and_Plans/Social_Inclusion_Strategy

- **More investment** – Investment from both the public and private sector creates a range of benefits to the city. The City of Hobart makes regular improvements to infrastructure such as footpaths, parks and recreation centres for the benefit of the community and visitors alike. Certain types of private sector investment create improved facilities and local jobs. For example, hotel developments create short term construction jobs, long term hospitality jobs, greater numbers of people in the city (vibrancy) and an associated expenditure that benefits businesses. More investment will also create an increased feeling of business certainty which leads to more people seeking to start businesses, in turn creating jobs.
- **Increased business satisfaction** – As the City strengthens its communications with the business community, it is anticipated that local businesses will feel more engaged, involved and have higher levels of satisfaction. The knowledge of these businesses will be captured and will contribute to innovative responses to local, state and global challenges. As Hobart becomes a ‘business friendly’ place, people may feel more confident to start their own. More businesses operating means more jobs created.
- **Increased income for all** – Gross domestic product (GDP) is frequently used as a measure of economic performance and has been referred to by the International Monetary Fund as ‘an indicator of the general health of an economy’.⁵ For more information relating to GDP and how it is measured, refer to the background paper. Although increased GDP is a positive sign of the health of the whole economy and will be monitored, the City is specifically interested in the income of the community, i.e. is the average person better off. This is captured by the Australian Bureau of Statistics’ estimates of personal income⁶ and total weekly household income,⁷ which is a good indicator of income distribution in Hobart.

⁵ International Monetary Fund discussion of GDP, viewed 17 January, 2017, www.imf.org/external/pubs/ft/fandd/basics/gdp.htm

⁶ Australian Bureau of Statistics Estimates of Personal Income, viewed 6 February 2017, ABS Data by Region Profile (Economy)

⁷ Australian Bureau of Statistics 2011, Census of Population and Housing, Place of Enumeration Profile, Hobart Local Government Area, Catalogue number 2004.0, Table P28, Total Household Income.





5. STRATEGIC FIT

A number of sources of information were used to develop themes for the Economic Development Strategy. Two very significant sources are Hobart 2025: A Strategic Framework⁸ and the Capital City Strategic Plan 2015–2025⁹ as they guide all of the work we do. The strategic framework is the overarching vision for Hobart that was developed hand-in-hand with the community. From this vision, a ten-year plan was developed: Capital City Strategic Plan 2015–2025. Given that these two documents guide the work of the City of Hobart, it was important to ensure that the Economic Development Strategy was in line with their key directions. Included in the background paper is a diagram showing the links between the new Economic Development Strategy and these strategic documents.

⁸ City of Hobart, Tasmania, 2025 Strategic Framework, viewed 21 December, 2016, www.hobartcity.com.au/Publications/Strategies_and_Plans/Hobart_2025_Strategic_Framework

⁹ City of Hobart, Tasmania, Capital City Strategic Plan, viewed 21 December, 2016, www.hobartcity.com.au/Publications/Strategies_and_Plans/Capital_City_Strategic_Plan_2015-2025





6. HOBART ECONOMY

The City of Hobart municipal area contributes 52 per cent of Greater Hobart's GDP, 24 per cent of Tasmania's GDP. Hobart covers a land area of 78 sq km and has a population of just over 50 000. The Greater Hobart area is made up of five local governments, covering an area of approximately 1700 sq km with a population of 212 000.

The highest contributing industries (financially) are public administration and safety (14% of Hobart's GDP), health care and social assistance (12%), financial and insurance services (10%) and education and training (8%).¹⁰

Sectors with the largest employment growth over the 2006–11 period were public administration and safety, health care and social assistance, education and training and professional, as well as scientific and technical services.

Although tourism is not defined as a sector in the Australian Bureau of Statistics employment data, visitor numbers to Hobart are demonstrating strong growth, having increased by 22 per cent from 699 046 in 2012–13 to 853 333 in 2015–16. Tourism Tasmania has reported state-wide increases in employment from 2013–14 to 2014–15, with direct and indirect employment in the state estimated at approximately 40 000 jobs (17.4% of Tasmanian employment) in 2014.¹¹ The latest progress report from the Tasmanian Government (December 2016) showed tourism spending for the year 2015–16 exceeding \$2 billion¹² for the first time ever.



¹⁰ Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016).

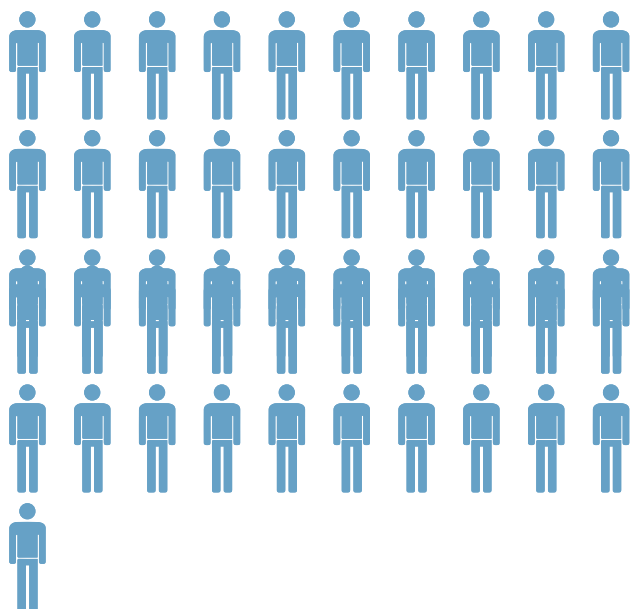
¹¹ Department of State Growth, Tasmanian Government, Sector Summary (2014), viewed 21 December, 2016, stategrowth.tas.gov.au/_data/assets/pdf_file/0008/89585/Tourism.pdf

¹² Tourism Tasmania Progress Report 2 – The Tasmanian Visitor Economy Strategy 2015–2020, viewed 6 February, 2017 www.t21.net.au/_data/assets/pdf_file/0011/46856/T21-Dec-2016-progress-report.pdf



**50 714
POPULATION**

(estimated resident population 2015)



**\$6 BILLION
GROSS REGIONAL
PRODUCT**
(2013–14)

**\$147 655 926
DEVELOPMENT
APPROVED**

(12 months to June 2016)

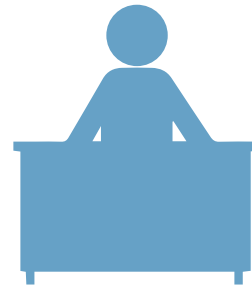
**\$48 789
MEAN EMPLOYEE
INCOME**

(2013)



\$391 300
AVERAGE
HOUSE PRICE

(First quarter 2017)



46 102
LOCAL JOBS

(based on place of work, 2011)



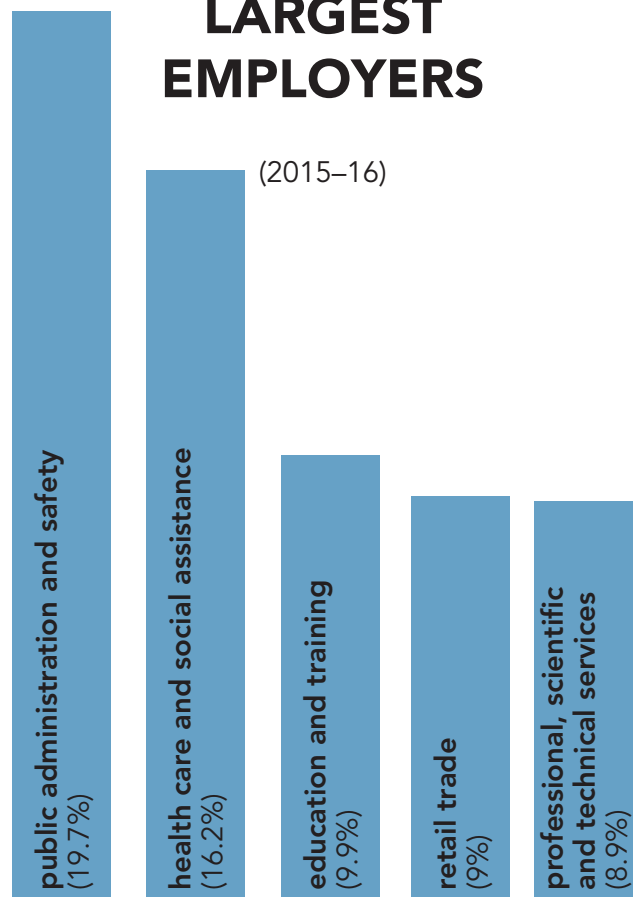
853 333
VISITORS

(2015–16)

Not including cruise ships

LARGEST EMPLOYERS

(2015–16)





7. OPPORTUNITIES AND CHALLENGES

Characteristics of Hobart, as well as global and local trends present opportunities and challenges for the performance of the local economy. The opportunities and challenges are summarised in the following table and the background paper expands upon this table by adding further commentary. The annual action plans set out what the Economic Development Unit must do to maximise these opportunities and address challenges.



| CHARACTERISTICS OF THE HOBART ECONOMY | | |
|---|---|--|
| Characteristic | Opportunity | Challenge |
| Largest employing sectors – public administration and safety, health care and social assistance, education and training, retail trade and professional, scientific and technical services. | For the City of Hobart to facilitate the continued growth of these sectors by supporting the work of key partners such as the Tasmanian Government, University of Tasmania, TasTAFE and the Hobart Chamber of Commerce. These industries are population driven so supporting population growth provides an opportunity for their development. | An economy reliant on a small number of sectors or key players makes it more susceptible to sector-specific risks. |
| Businesses – There are just under 6000 businesses registered in Hobart. | It is clear from biennial City of Hobart community consultation surveys that there are opportunities to better engage with the business community as a means of increasing overall satisfaction. | The City must engage with local businesses in a meaningful way or risk alienating the business community. |
| Small businesses – 22% employ 1–4 people and 21% employ 5+. 57% of businesses in Hobart are sole operators. ¹³ | Communication with and support of these smaller businesses could provide them with the confidence and opportunity to grow. | Small businesses are more vulnerable to changes such as economic downturn, legislative reform, interest rates changes. |
| Slow growing population – Hobart's population is forecast to grow from 50 500 in 2014 to 53 900 in 2037 representing an average growth rate of 0.3%. ¹⁴ This is significantly slower than those projected for Australia. | For the City of Hobart to support the Tasmanian Government's population growth strategy target of 650 000 people by 2050 ¹⁵ by ensuring that Hobart is a desirable place to live. | Slow population growth contributes to slower growth in Gross Regional Product, business confidence, investor confidence and a less diversified economy in terms of sectors. |
| Tourism, heritage and creative arts – The reputation of Hobart as a city of festivals, heritage hub, wilderness gateway, centre for creative arts and business events presents further opportunities to increase visitation. | There is an opportunity for the City to support Tourism Tasmania's target of 1.5 million visitors by 2020 ¹⁶ and the work of the regional body (Destination Southern Tasmania) by providing vital infrastructure to support visitation, staging events, funding, supporting and promoting events and organisations, welcoming cruise ships and through the operation of the Tasmanian Travel and Information Centre. ¹⁷ The Creative Hobart Strategy ¹⁸ additionally sets out how the City of Hobart engages artists and cultural workers in the continual invigoration of the city's built and natural public spaces. | The City must ensure that support is balanced across a number of key players in these sectors and that no one institution dominates this space. The recently endorsed Community Development Grants Program ¹⁹ ensures that those seeking funding and support participate in a competitive process which ensures fairness. |

¹³ Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016).

¹⁴ Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016). Figures sourced from the Tasmanian Department of Treasury and Finance)

¹⁵ Department of State Growth, Tasmanian Government, Population Growth Strategy, viewed 11 October, 2017, www.stategrowth.tas.gov.au/populationstrategy

¹⁶ Tourism Tasmania Visitor Economy Strategy, viewed 6 February, 2017, www.tourismtasmania.com.au/publications/tourism_21

¹⁷ The City of Hobart Tasmanian Travel and Information Centre, viewed 22 February 2017, www.hobarttravelcentre.com.au/

¹⁸ City of Hobart Creative Hobart Strategy, viewed 10 January, 2017, www.hobartcity.com.au/Community/Arts_and_Culture/Creative_Hobart

¹⁹ City of Hobart Community Development Grants Program, viewed 23 February, 2017, www.hobartcity.com.au/Community/Grants

| CHARACTERISTICS OF THE HOBART ECONOMY | | |
|---|---|---|
| Characteristic | Opportunity | Challenge |
| Natural environment – Hobart and Tasmania are world famous for the quality of the natural environment, which is a key driver of tourism, agriculture and aquaculture. The City is custodian of kunanyi/ Mt Wellington, which is part of the 3000 hectares of bushland the City maintains. The City also overlooks the second deepest natural port in the world making it an attractive location for both tourism (cruise ships) and industry. | Exploring options for sympathetic developments to cater for visitors and the community is an opportunity to promote understanding and increased visitation, contributing to the economic performance of the local economy. This approach is in line with the Tasmanian Government's current approach of inviting expressions of interest for developments in the Tasmanian Wilderness World Heritage Area, national parks and reserves. ²⁰ | Balancing the maintenance of the quality of the natural environment with user demands. |
| Innovation Research and Education – More scientists call Hobart home than any other capital city in Australia (per capita). Organisations such as the Menzies Institute for Medical Research, University of Tasmania and the Commonwealth Scientific and Industrial Research Organisation contribute to the excellent reputation Hobart has as a science hub. | The City of Hobart can support the continued growth of these organisations by striving to meet their infrastructure needs and reinforcing key messages relating particularly to funding opportunities. The Lord Mayor and Aldermen will have a role in continuing to promote the profile of the City as a scientific hub by patronising and hosting key events. | Funding in this sector is a key challenge and can be affected by a number of factors including performance of the economy and political priorities. Likewise, there is a challenge locally in providing pathways for the community into such occupations. |



²⁰ Department of State Growth, Tasmanian Government, Expression of Interest Process for Tourism Investment Opportunities, viewed 22 February, 2017, www.stategrowth.tas.gov.au/?a=106818

| CHARACTERISTICS OF THE HOBART ECONOMY | | |
|---|---|---|
| Characteristic | Opportunity | Challenge |
| <p>Gateway to Antarctica and the Southern Ocean –</p> <p>Hobart is one of five global gateways to Antarctica and the only one in Australia. The most recent economic study estimated that the Antarctic sector contributed \$187.4 million to Tasmanian Gross State Product in 2011–12.²¹</p> | <p>The status of Hobart as an Antarctic gateway presents numerous economic opportunities. Much of these are facilitated through the City's membership of the Tasmanian Polar Network, a group of businesses and scientific organisations based in Tasmania with a common focus on serving commercial and scientific activity in the Antarctic, sub Antarctic and Southern Ocean. The network and partners such as Antarctic Tasmania also mobilise to welcome Antarctic personnel and vessels from around the world. Such welcomes are enhanced by the presence of the Lord Mayor and Alderman who assist in communicating the importance of the sector to Hobart and Tasmania. The City of Hobart also hosts an annual reception marking the opening of the Antarctic season, an event that similarly stresses the importance of the sector.</p> | <p>This sector is vulnerable to fluctuations in funding and political priorities.</p> |

²¹ Department of State Growth, Tasmanian Government, Snapshot of the Antarctic Sector's Contribution to the Tasmanian Economy, viewed 21 December 2016, stategrowth.tas.gov.au/data/assets/pdf_file/0008/77894/ANTSCI13037_20130705_Antarctic_Economic_Report_July_2014.pdf

| GLOBAL / LOCAL TRENDS | | |
|--|---|--|
| Trend | Opportunity | Challenge |
| <p>Ageing population – Hobart's local government area has a median age of 38.8 years, which is similar to that of Australia. Hobart's population is ageing, having aged 3 years between 2001 and 2014.²²</p> <p>This is in line with the global trend reported in KPMG's Future State report that notes 8% of the global population is currently aged 65+, which is projected to rise to 13% by 2030.²³</p> | <p>Opportunities will arise that cater for the needs of an ageing population, particularly in the sector of health care and social assistance. This presents the City of Hobart with an opportunity to support the leading organisations in these sectors.</p> | <p>Decreasing numbers of economically active people result in an increasing burden on government in funding aged care.</p> |
| <p>Enabling technology – Information and communications technology has transformed the way in which we share information</p> | <p>Workers are afforded more flexibility to be able to work and live in disparate locations. This presents the City of Hobart with an opportunity to increase its population by attracting members of a more mobile work force by ensuring Hobart's liveability.</p> <p>It also presents the City with an opportunity to address some of the challenges relating to population growth such as people movements. The sharing of real-time travel data and other 'smart city' solutions can really encourage the uptake of public transport.</p> <p>There is a growing practice of engaging groups of people in working towards a common goal, often for innovation, problem solving or efficiency. Participation in such projects is typically facilitated by technology which can broaden the reach of such projects and increase the pool of skills available.</p> | <p>As technology continues to change fundamental aspects of society, issues arise relating to privacy and the misuse of information. There are also issues relating to equity and access. A report by the Australian Bureau of Statistics for 2011–12 showed half of all Tasmanians aged 15–74 are functionally illiterate.²⁴ This brings into question the impact of enabling technology on the economic participation of the existing population.</p> |

²² Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016).

²³ KPMG Consultancy Future State 2030 Series, viewed 6 February, 2017, home.kpmg.com/xx/en/home/insights/2015/03/future-state-2030.html

²⁴ Australian Bureau of Statistics, 2011-12, Programme for the International Assessment of Adult Competencies, Australia, viewed 21 February, 2017, www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4228.02011-2012?OpenDocument

| GLOBAL / LOCAL TRENDS | | |
|---|--|--|
| Trend | Opportunity | Challenge |
| Economic power shift – KPMG reports that Asia's share of global exports is expected to nearly double to 39% by 2030. Figures published by the Tasmanian Government of export figures to the Association of South East Asian Nations region has increased by 34% in foods and 33% in non foods over 2011–16. ²⁵ | <p>The City of Hobart has two friendship city relationships with Xi'an and Fuzhou in China. These relationships are governed by memoranda of understanding. Work effort in line with these memoranda seek to maximise opportunities for economic and cultural exchange.</p> <p>Opportunities exist for the City to broaden its economic relationships in Asia beyond China. The Department of State Growth (Tasmanian Government) leads government activity in this area, with trade missions in the past 6 months to Japan, Korea, India, Sri Lanka, Indonesia and Singapore.</p> | <p>Although the recent government focus has been on China, focus on one export market intensifies risk. Risks relating to customer preferences, the financial performance of the country and political events have the potential to significantly affect both imports and exports to and from that market.</p> |
| Urbanisation – Australians are increasingly anticipated to gravitate towards metropolitan areas and larger regional towns. ²⁶ | <p>The City may present an alternative to living in major capital cities while still providing locals with key infrastructure and lifestyle benefits.²⁷</p> | <p>With population growth comes the demand for infrastructure, if lifestyle benefits are to be maintained. Planned housing provision and the consideration of other associated issues such as homelessness and housing stress must be addressed if opportunities are to be maximised.</p> |
| Shifting consumer trends and preferences – Australians are continuing to save a high proportion of their disposable income. In line with this, consumers are looking to the internet to provide them with alternative retail options. ²⁸ | <p>Retail trade is an important sector to the City (8.9 % of employment in 2011). Opportunities exist for local retailers to use the internet as a tool for promotion and expanding their potential market. There are also opportunities for developing strengths that can aid local retailers in competing with internet retailers.</p> | <p>Although the internet provides the city's retailers with a broader market, it also opens the local consumers up to more purchasing options.</p> |

²⁵ Department of State Growth, Tasmanian Government, Value of Tasmania's International Exports by Region and Product 2011-12 to 2015-16, viewed 25 January, 2017, www.stategrowth.tas.gov.au/_data/assets/pdf_file/0008/139787/4_Exports_by_Region_and_Product_2016.pdf.

²⁶ Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016).

²⁷ Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016).

²⁸ Bespoke economic analysis conducted for the City of Hobart by AEC Group (2016).





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BABY + HOME +

OPEN
TUESDAY-FRIDAY 10AM
SATURDAY 9AM-2PM

8. KEY THEMES

The four themes of the Economic Development Strategy follow. These were formulated by considering each information source discussed so far: existing City of Hobart strategies, AEC Group analysis, discussions with stakeholders, Australian Bureau of Statistics census data and projections, City of Hobart aims for the local economy and the City's biennial community consultation survey.

Tasks have been developed for each theme and are listed in the action plans (the year one action plan is included in this strategy). The background paper includes draft plans for 2018, 2019 and 2020, in order to ensure integrated thinking over the duration of this strategy.

FOCUS ON PARTNERSHIP

As touched upon in the background report to this strategy, there are many definitions of economic development. The concept is difficult to define because elements of economic development are present in virtually every activity, whether commercially or community-based. For example, a community group may volunteer to maintain an area of Hobart's bushland. Although the driver of this activity was community-based, some of the knock-on effects could be economic. For example, a more pleasant bushland environment may lead to an increase in visitors to the city, and more visitors mean more visitor expenditure.

Due to the all-encompassing nature of economic development, significant increases in economic performance can only be achieved in partnership, whether within the organisation or with businesses, or at a state, national or international level.

The City of Hobart supports a number of such partnerships, which contribute to economic growth. Some key relationships are with the Tasmanian Government, Australian Government, University of Tasmania, Business Events Tasmania, Hobart International Airport Limited, Tasmanian Polar Network, Hobart Chamber of Commerce, Tasmanian Chamber of Commerce and Industry and other bodies representing local and international business.



The background paper highlights why these relationships are important and how they contribute to improvements in economic performance. The action plan lists what the Economic Development Unit must do to further strengthen these relationships and develop new ones. Whilst the key partners listed are those supported by the unit, the organisation as a whole also supports partnerships that deliver community and economic outcomes in other sectors, for example in tourism.

Although the City has strong relationships with several major stakeholders, it is clear that greater engagement needs to occur with Hobart's nearly 6000 local businesses. Better understanding the aspirations of businesses will assist in identifying opportunities for the Economic Development Unit to support their success. Also, engaging these businesses in the development of innovative solutions to Hobart's challenges will provide vital contributions to Hobart's economic performance.

INCREASE OUR KNOWLEDGE AND CAPABILITY

It is imperative that the City of Hobart drives increases in knowledge and capability in the city. In this context, knowledge refers to the way in which information is developed, shared, discussed and used to make decisions affecting the economic performance of Hobart. Increasing whole-of-city capability means ensuring that community members have the necessary skills for participating in the workforce in ways most meaningful for them. An example of increasing capability in the city would be ensuring the workforce has the skills to meet the growing demand for the health and social care required by an ageing population.

'Open data' is one way that the City of Hobart can lead in the drive to increase knowledge. This term means data produced or commissioned by government or government controlled entities is (where possible) shared, used, re-used and redistributed by anyone. The City of Hobart as a whole, as well as the Economic Development Unit specifically, create and commission significant data, some of which could be made 'open'. The sharing of such data, enabled by advances in information technology, will contribute to the knowledge acquisition of businesses, the community and other key partners to enable more informed decision making.



Open data may also be used to support business and product innovations that benefit communities. Generating local and state-wide solutions to key challenges is likely to be stimulated by the availability of related data. For example, complex challenges, such as alleviating traffic congestion in the city, cross local government boundaries and have significant impacts on the productivity of local economies. Such challenges cannot be alleviated by one solution or one organisation. However, if a number of organisations share their data, the combined information could assist in framing the challenge more precisely, which would likely engage more stakeholders to consider and discuss potential solutions. Not only does the City have a role in sharing data in these instances, but as the capital city council, it aims to play a leadership role by initiating discussions with all levels of government and stakeholders relating to challenges or opportunities affecting economic performance.

The Economic Development Unit and City of Hobart as a whole can share their own data and they can also use their economic, political and cultural knowledge to encourage the sharing of information and collaboration among partners. Local and international organisations and businesses with overlapping interests can be matched and their information exchanges and joint cooperation facilitated.

In terms of facilitating the growth of the capabilities of the community, there is an opportunity for the City of Hobart to contribute through its increased engagement with businesses. Structured discussions with businesses about their needs as employers can be shared with key educators and training providers in Hobart to ensure that workforce skills and industry requirements are matched.

BUILD ON OUR STRENGTHS

Public administration and safety, health care and social assistance, education and training, retail trade, professional, scientific and technical services and tourism form the basis of Hobart's economy in terms of job numbers and financial value. There are a number of opportunities for the City to support partners working in these sectors. Many of these opportunities are set out in memoranda of understanding (agreements) with key industry bodies, or may be delivered in less formal working arrangements.

One example is the relationship between the City of Hobart and the University of Tasmania (UTAS), which is supported by a memorandum of understanding (2015–18)²⁹. UTAS has over 30 000 current students (including 6 000 international students) and 90 000 alumni living in 120 countries. It employs over 2500 people across three campuses in Hobart, Burnie and Launceston. UTAS is the sole university education provider in Tasmania, giving it an important role in providing learning opportunities for people across the state. A strategic move of a number of campus facilities from the Sandy Bay campus into the inner city will have deep economic significance for Hobart. Potential benefits include increases in direct spend by staff members and students in the inner city economy, increases in student-focused products and services, and increased economic activity during daytime and evening hours. There are also economic benefits associated with retaining higher earning graduates in the city after they have completed their studies

International relations are another of the City's strengths. For example, the City of Hobart and partners, such as the Tasmanian Government and Tasmanian businesses, have forged strong cultural and economic relationships with Chinese businesses and government bodies. These relationships have contributed to increasing export figures, increased Chinese tourist visitation and investment into key sectors in Hobart and Tasmania. The City of Hobart's *International Relations Action Plan*³⁰ structures the City's efforts in this arena, much of which is delivered by the Economic Development Unit.

While difficult to define in concrete terms, one of Hobart's strengths lies in its uniqueness. Hobart is an island capital and the only Australian capital city with the unique natural assets of a mountain and a waterfront. Hobart's burgeoning scene of creators, makers and entrepreneurs also add to this distinct identity. People in Hobart are inventive and highly skilled in their crafts. Building on these strengths, and enabling more people to develop their talents will contribute to Hobart's economic vibrancy and growth.



ENABLE OUR FUTURE

Forecasting and monitoring trends set to affect Hobart will improve Hobart's performance in the shifting economic landscapes. The Economic Development Unit is positioned within a level of government that has maximum exposure to the community, providing many opportunities for it to act as a networking agent with all tiers and departments of government. This position gives it a unique ability to initiate research, lead discussions and share insights with key partners, as well as local and international businesses, to enable enriched decision making.

Part of this leadership role will emerge in response to the Australian Government's policy framework relating to cities and economic development. The current federal-level policy framework centres on 'City Deals'.³¹ City Deals refer to an Australian Government funding model that favours partnerships with governments, business and communities to enable cities to reach their full potential. It is paramount that the City of Hobart leads discussion with both the Australian and Tasmanian Government relating to these emerging City Deal policies and any future policies.

The City of Hobart is a significant infrastructure provider. Through the continued delivery of the City of Hobart capital works program³², which includes the Civic Square redevelopment³³, retail precincts³⁴, Inner City Action Plan³⁵ and public toilet upgrades³⁶, Hobart will attract more investors, visitors, students and residents. The Economic Development Unit will provide economic analysis of the impact of such developments, investor relationship management and the development of processes for the utilisation of key City assets.

The City has a significant opportunity to act as a leader when it comes to Hobart's economic future. Enabling the future in this context means identifying future trends and responding rather than reacting to these opportunities and challenges.



²⁹ University of Tasmania and City of Hobart MOU, viewed 11 March 2017, www.utas.edu.au/_data/assets/pdf_file/0003/855327/MOU-2015-2018--art-City-Council-Infrastructure-Developments-between-the-Council-and-University-9-October-2015.PDF

³⁰ City of Hobart, Tasmania, International Relations Action Plan (2015), viewed 11 March 2017, www.hobartcity.com.au/Business

³¹ Australian Government information on City Deals, viewed 22 February 2017, cities.dpmc.gov.au/city-deals

³² City of Hobart Capital Works Program (2016-2026), viewed 03 February 2017, www.hobartcity.com.au/Projects/Major-Council_projects

³³ City of Hobart Civic Square Redevelopment, viewed 03 February 2017, www.hobartcity.com.au/Projects/Major-Council_projects/Civic_Square_Redevelopment

³⁴ City of Hobart Local Retail Precincts Plan, viewed 01 February, 2017, www.hobartcity.com.au/Projects/Major-Council_projects/Local_Retail_Precinct_Plan

³⁵ City of Hobart Inner City Action Plan, viewed 01 February, 2017, www.hobartcity.com.au/Projects/Major-Council_projects/Inner_City_Action_Plan

³⁶ City of Hobart Public Toilet Strategy, viewed 06 February, 2017, www.hobartcity.com.au/Projects/Major-Council_projects/Public_Toilet_Strategy_2015-25



9. YEAR ONE ACTION PLAN

| ECONOMIC DEVELOPMENT STRATEGY 2017–21 THEME | NO. | ACTION | COUNCIL ROLE | PARTNERS/STAKEHOLDERS |
|---|-----|---|--------------|---|
| 1. FOCUS ON PARTNERSHIP | 1.1 | Continue to advance relationships with the University of Tasmania through the delivery of activities detailed in the existing Memorandum of Understanding. | undertake | University of Tasmania |
| | 1.2 | Maintain working relationships with the Tasmanian Government (Department of State Growth, Office of the Coordinator General, Department of Premier and Cabinet, Antarctic Tasmania and Macquarie Point Development Corporation), Australian Government, Business Events Tasmania, Hobart International Airport, Tasmanian Polar Network, Hobart Chamber of Commerce, Tasmanian Chamber of Commerce and Industry and other bodies representing business through the regular exchange of information. | undertake | Tasmanian Government (Department of State Growth Office of the Coordinator General, Department of Premier and Cabinet, Antarctic Tasmania and Macquarie Point Development Corporation), Australian Government, Business Events Tasmania, Hobart International Airport, Tasmanian Polar Network, Hobart Chamber of Commerce, Tasmanian Chamber of Commerce and Industry and other bodies representing business |
| | 1.3 | Continue to investigate and develop new relationships with organisations that will increase the economic performance of Hobart. | undertake | |

| ECONOMIC DEVELOPMENT STRATEGY 2017–21 THEME | NO. | ACTION | COUNCIL ROLE | PARTNERS/ STAKEHOLDERS |
|--|------------|--|---------------------------------|---|
| | 1.4 | <p>Develop Business Engagement Plan which may include:</p> <ul style="list-style-type: none"> - surveying local business community to get a picture of the current state of business, common issues and opportunities and views on the City's role - consideration of how the City of Hobart communicates relevant news and information to the business community and records this, as well as how businesses can communicate with the City - development of an innovation forum including networking, facilitated discussion and capacity building workshops - consideration of how the City supports small businesses. | undertake | business representative bodies, businesses, investors |
| 2. INCREASE OUR KNOWLEDGE AND CAPABILITY | 2.1 | As the capital city council, lead discussions with all tiers of government with regards to a collaborative approach to economic development through common project areas such as international relations and infrastructure. | advocate, facilitate, undertake | All tiers of government |
| | 2.2 | Maintain key data published on the City's website, including population size, number of businesses, number of visitors and reports commissioned by the City's Economic Development Unit and other partners. | undertake | Australian Bureau of Statistics, City data, Tasmanian Government data |
| | 2.3 | Monitor and publicise the economic health of Hobart every 12 months using frequently available economic and social measures. These include car parking usage and value of development applications granted. | undertake | Australian Bureau of Statistics, City data, Tasmanian Government data |
| | 2.4 | Examine the potential of 'smart city' solutions for making Hobart a more liveable place. | undertake | Tasmanian Government |

| ECONOMIC DEVELOPMENT STRATEGY 2017–21 THEME | NO. | ACTION | COUNCIL ROLE | PARTNERS/ STAKEHOLDERS |
|---|-----|---|---------------------|--|
| 3. BUILD ON OUR STRENGTHS | 3.1 | <p>Deliver against actions listed in the City's International Relations Action Plan (2016). Economic Development priorities for year 1 include:</p> <ul style="list-style-type: none"> - actively discuss and explore economic opportunities with the cities of Xi'an and Fuzhou, China - actively engage with the University of Tasmania to understand its global engagement aspirations. - host civic receptions that will advance the City and state's international brand, particularly through the state government priority sectors of: <ul style="list-style-type: none"> a) education b) tourism c) Antarctic and Southern Oceans d) agriculture e) aquaculture. | undertake | international partners including cities of Xi'an, Fuzhou, Yaizu and L'Aquila, local businesses, Tasmanian Government, University of Tasmania |
| | 3.2 | Host the opening of the Antarctic season reception each year. | undertake | Antarctic Tasmania, Australian Antarctic Division, Tasmanian Polar Network |
| | 3.3 | Continue to be an active member of the Tasmanian Polar Network. | undertake | Tasmanian Polar Network members |
| | 3.4 | Continue to work with partners to support the growth of the Antarctic and Southern Ocean sector. | advocate, undertake | University of Tasmania, Commonwealth Scientific and Industrial Research Organisation, Institute for Marine and Antarctic Studies, Antarctic Tasmania, Australian Antarctic Division, Tasmanian Polar Network |

| ECONOMIC DEVELOPMENT STRATEGY 2017–21 THEME | NO. | ACTION | COUNCIL ROLE | PARTNERS/ STAKEHOLDERS |
|---|-----|---|-----------------------|---|
| 4. ENABLE OUR FUTURE | 4.1 | Continue to support the roll-out of the Inner City Action Plan with the provision of economic analysis to inform decision making in relation to projects and in response to stakeholder input. | undertake | City of Hobart (City Design Unit), developers |
| | 4.2 | Assume a leadership role in discussions with the Australian and Tasmanian Government about City Deals | undertake, advocate | Australian and Tasmanian Government |
| | 4.3 | Facilitate the University of Tasmania's continued expansion into the inner city for teaching, residential and research purposes, working towards building Hobart's reputation as a 'university city'. | undertake, facilitate | University of Tasmania |
| | 4.4 | Understand the impact of key developments in Hobart and the City's role in responding to them. | undertake, advocate | Australian and Tasmanian Government, developers |
| | 4.5 | Facilitate the creation of appropriate development proposals for City-owned assets. | facilitate | community, developers |





10. PERFORMANCE MEASURES

Although the City's Economic Development Unit will report to Council annually on its action plan progress of delivery for that year, completing the tasks is not enough. Other measures of performance must be included to verify whether the delivery of the action plan is having the desired outcomes. The measures below relate directly to Section 4 of this strategy, i.e. measuring what the strategy is setting out to achieve.

| ACHIEVEMENT | MEASURE | SOURCE AND FREQUENCY |
|---|--|--|
| Delivery of Economic Development Strategy actions | - evidence of delivery of yearly action plan | City of Hobart (annually) |
| Increased understanding of the City | - annual commission of bespoke analysis of Hobart and sharing with key stakeholders | City of Hobart (annually) |
| More people | <ul style="list-style-type: none"> - number of people working in Hobart - number of residents living in Hobart - number of people studying in the inner city - numbers of students living in the inner city - number of visitors staying in Hobart - number of day visitors to Hobart - number of business visitors to Hobart | <p>ABS Census (5 years)</p> <p>ABS Census (5 years)</p> <p>University of Tasmania and Tasmanian Government (annually)</p> <p>University of Tasmania and Tasmanian Government (annually)</p> <p>Tourism Tasmania (annually)</p> <p>Tourism Tasmania (annually)</p> <p>Business Events Tasmania (annually)</p> |

| ACHIEVEMENT | MEASURE | SOURCE AND FREQUENCY |
|--|---|---|
| More investment | <ul style="list-style-type: none"> - Land value, capital value and assessed annual value - value of development applications granted by City of Hobart as planning authority | <p>Office of the Valuer-General (annually)</p> <p>City of Hobart (annually)</p> |
| Increased business satisfaction / confidence | <ul style="list-style-type: none"> - business satisfaction in biennial City of Hobart community consultation surveys - number of new businesses | <p>City of Hobart (biennially)</p> <p>Australian Government ABR data (annually) and ABS Census (5 years)</p> |
| Increased income for all | <ul style="list-style-type: none"> - gross domestic product per capita (at state level) - gross regional product (Hobart LGA) - personal income - weekly household income | <p>gross domestic product per capita (Department of Treasury – annually)</p> <p>gross regional product (Hobart LGA) – (annually) (City of Hobart)</p> <p>Personal income in ABS Census (5 years)</p> <p>Weekly household income in ABS Census (5 Years)</p> |





11. WHOLE OF CITY APPROACH

The work of many teams within the City of Hobart contribute towards the economic performance of Hobart. A comprehensive but not exhaustive account of this is below. The work of organisations outside of the council is captured in the background paper.

| ORGANISATION/ SECTOR | ACTIVITY | ACTIONS | OUTCOME |
|--|--------------------------------|--|---|
| City of Hobart – Community Development Division | | | |
| Events and Salamanca Market Units | The Taste of Tasmania Festival | deliver a high profile annual event of major regional economic and cultural significance | <ul style="list-style-type: none"> - relationships developed/ strengthened with local food and beverage providers - provides local businesses with an avenue to sell their produce - direct contribution to the local economy – this was \$20 million in 2010–11. |
| Events and Salamanca Market Units | Salamanca Market | deliver Australia's largest weekly open air market | <ul style="list-style-type: none"> - relationships developed/ strengthened with local businesses - provides local businesses with an avenue to sell their produce - the most visited tourist attraction in Tasmania, attracting 403 026 visitors, Oct 2015 – Sep 2016³⁷ |

³⁷ Tourism Tasmania tourism statistics, viewed 20 January, 2017 www.tvsanalyser.com.au/

| ORGANISATION/ SECTOR | ACTIVITY | ACTIONS | OUTCOME |
|---|---|--|--|
| City of Hobart – Community Development Division | | | |
| Community and Cultural Programs Units | Community Development Grants Program | deliver a range of grants for non-profit and profit-making organisations, including Creative Hobart grants and events grants | <ul style="list-style-type: none"> - relationships developed with the creative community through the provision of financial support - events attract patrons who in turn spend money in the local economy |
| City Marketing Unit, Events and Salamanca Market Units | Organisation promotion of ad hoc events (e.g. Super Sidewalk Saturday) | be responsive to occurrences in the inner city | <ul style="list-style-type: none"> - businesses involved in Super Sidewalk Saturday were interviewed and 71% saw an increase in trade on the day |
| City Marketing Unit | marketing the inner city as a retail location | a marketing campaign including branding and events is coordinated for the benefit of the inner city. | <ul style="list-style-type: none"> - building relationships in the business community - increasing footfall in the inner city presenting businesses with an opportunity to increase sales |
| City Marketing Unit | State wide support of tourism businesses and regional dispersal of visitors | through the Tasmanian Travel and Information Centre, provide information and bookings for attractions Tasmania-wide | <ul style="list-style-type: none"> - relationships developed with state wide tourism operators - a platform maintained for the marketing and sales of Tasmanian tourism offerings - visitors feel valued and assisted |
| Community and Cultural Programs Unit | Mobile Food Vendor Program | continue to support the operation of mobile food vendors on City-owned land | <ul style="list-style-type: none"> - relationships developed/ strengthened with local food vendors - activating under-utilised spaces around Hobart - help to create a vibrancy and availability of food in under-utilised spaces around Hobart - provide locations for food vendors to sell their produce |
| Community and Cultural Programs Unit | Creative Hobart | deliver the Creative Hobart Strategy engaging artists and cultural workers in the continual invigoration of the city's built and natural public spaces | <ul style="list-style-type: none"> - developing the city into an exciting platform for a wide diversity of cultural expression; an incubator of creativity and innovation; and a place where connections are made and knowledge is shared |

| ORGANISATION/ SECTOR | ACTIVITY | ACTIONS | OUTCOME |
|---|--|--|---|
| Community and Cultural Programs Unit | space activation | in line with the Inner City Action Plan (Action 15), ³⁸ seek to activate spaces such as Collins Court | - making spaces such as Collins Court ³⁹ more pleasant and catering for more uses such as play spaces for children, performances and casual relaxation |
| City of Hobart – Parks and City Amenity Division | | | |
| Parks and Recreation Unit | kunanyi/Mt Wellington | maintaining the pristine natural environment and providing enhanced experiences to ensure that kunanyi/Mt Wellington remains one of Tasmania's key visitor attractions. Refer to the Wellington Park Management Plan ⁴⁰ for more detail | - kunanyi/Mt Wellington was the third most visited tourist attraction, Oct 2015 – Sep 2016, ⁴¹ with 291 220 visitors. - 115 businesses operate on kunanyi/Mt Wellington |
| Parks and Recreation Unit | parks and gardens, sporting facilities, bushland | manage and maintain these assets to produce a range of experiences and activities for the community and to attract visitors | - maintenance of such community assets increases the liveability of Hobart which in turn attracts people to live work, study, visit and invest, thus contributing to the economy |
| Parking Operations Unit | parking provision | provide places for people to park according to need in the inner city. See the City of Hobart's Parking Strategy 2012–17 ⁴² | - people are able to patronise businesses in the inner city |
| Parking Operations Unit | parking enforcement | maintain a turnover of vehicles throughout the inner city | - people are able to patronise businesses in the inner city |
| Doone Kennedy Hobart Aquatic Centre | Doone Kennedy Hobart Aquatic Centre | attract major sporting events to Hobart | - major sporting events attract competitors and their supporters requiring at minimum accommodation and food which represents direct economic expenditure in the local economy |

³⁸ City of Hobart Inner City Action Plan, viewed 23 February 2017, www.hobartcity.com.au/Projects/Major_Council_projects/Inner_City_Action_Plan

³⁹ City of Hobart Collins Court Revitalisation Project, viewed 22 February, 2017, www.hobartcity.com.au/Hobart/A_City_with_People_in_Mind/Collins_Court_Revitalisation

⁴⁰ Wellington Park Management Plan (2013), viewed 06 February, 2017, wellingtonpark.org.au/management-plan/

⁴¹ Tourism Tasmania tourism statistics, viewed 20 January, 2017 www.tvsanalyser.com.au/

⁴² City of Hobart Parking Strategy 2012–17, viewed 22 December, 2016, [hobartcity.com.au/Publications/Strategies_and_Plans/Parking - A Plan for the Future 2013](http://hobartcity.com.au/Publications/Strategies_and_Plans/Parking_-_A_Plan_for_the_Future_2013)

| ORGANISATION/ SECTOR | ACTIVITY | ACTIONS | OUTCOME |
|--|--|--|---|
| City of Hobart – City Infrastructure Division | | | |
| Infrastructure Planning Unit – Traffic Engineering | traffic management | ensure effective access to and promote movement through Hobart on a daily basis and during special events | - Hobart is known as a liveable city. Continuing to attract people to live, work, study, visit and invest ensures direct expenditure in the economy |
| Infrastructure Planning Unit– Project Services | civil works | ensure timely and effective civil works | - Hobart is known as a liveable city. Continuing to attract people to live, work, study, invest and visit ensures direct expenditure in the economy |
| City of Hobart – City Planning Division | | | |
| City Planning – City Design Unit | public realm improvements | Improvements to public realm as set out in the Inner City Action Plan | - making Hobart a pleasant place in which to visit, work, study and shop, resulting in higher spend and the attraction of high quality national and local retailers, hotel operators etc. |
| City Planning – Development Appraisal Unit | acting as the custodian of the City | interpretation of the planning schemes to enable appropriate development in Hobart | - Hobart is able to cater for a diverse range of uses and users |
| City Planning – Environmental Health Unit | ensure the safety of the public | food safety, immunisation, places of assembly and emergency management | - ensuring Hobart is a safe place for all of the community and visitors which contributes to the numbers seeking to be present in the city, contributing to its economic vitality |
| City of Hobart – Corporate Services | | | |
| City Government Unit | manage City-owned land and buildings as event venues | promote and manage buildings such as the Waterside Pavilion used by the community and partners as event venues | - events attract people to Hobart's venues which in turn attract spend in the local economy |
| City of Hobart – Executive & Economic Development | | | |
| General Manager's Office | relationship management | support key relationships vital to the continued economic growth of Hobart e.g. with the University of Tasmania, Business Events Tasmania, Tasmanian Government etc. | - increased investment and direct economic spend in Hobart - increased regional and state wide government cooperation to address challenges that threaten the liveability of Hobart and beyond |



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