



CITY OF HOBART

MINUTES ATTACHMENT

ECONOMIC DEVELOPMENT & COMMUNICATIONS COMMITTEE MEETING

OPEN PORTION OF THE MEETING

THURSDAY, 29 JULY 2021

AT 4:30 PM

VENUE: COUNCIL CHAMBER, TOWN HALL

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Economic Development Investigative Report



City of **HOBART**

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Presentation Outline

From February to June 2021, UTAS students undertook an internship at the City of Hobart to research economic development and produce a report to inform the city's upcoming Economic Development Strategy.

This presentation will share some of the reports key findings, recommendations and the student experiences during the internship.



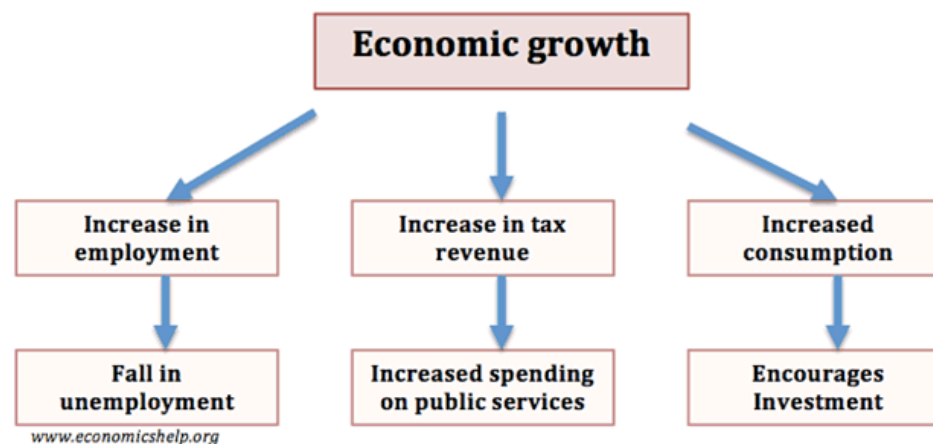
Background

Purpose: To create an evidence base to inform the upcoming Economic Development Strategy

Key methods: Literature review

Major themes: 6 key areas impacting economic development

1. Demographic change
2. Housing affordability
3. Transport
4. Local Businesses
5. Tourism
6. Climate change, energy and environmental health



Demographic Change

This topic was considered relevant to the Hobart economy and important to economic development.

Populations with higher proportions of elderly citizens typically require more resources and are less productive than populations with less elderly (Bloom et al, 2003).

We explored the following aspects:

1. Decreasing labour force participation rate
2. Reduction in income tax revenue
3. Decrease in the size of the working-age population
4. Increasing pressures on medical and health services
5. Youth migration



Demographic Change: Key recommendations

1. Investigate opportunities to increase efficiency and supply of Hobart's health facilities and aged care services.
2. Identify policies that enhance Hobart's attractiveness and capacity as an education and work destination.
3. Look into a domestic and international work exchange programs, encouraging professionals to work in Hobart for a specified period.

Housing Affordability

Our research identified housing affordability to be significant factor on Hobart's economic development.

Housing unaffordability is associated with increasing living and business costs, prompting the attractiveness of an area to decrease as employment and economic growth declines (Chakrabarti and Zhang, n.d).

We focused on the following:

1. A lack of housing supply
2. Employment shortages within the construction sector
3. Investor behaviour excluding first home buyers from the market
4. Housing prices outpacing income/wage growth
5. Impacts of short-stay accommodation



Housing Affordability: Key recommendations

1. Increase social housing options to support current housing demand. This can include emergency housing services, as well as medium to long-term housing support services.
2. Promote housing infill options to establish more housing supply within the City.
3. Promote training and employment opportunities for construction trade workers and labourers.

Transport and Sustainable Economic Development

- General concepts
- Transport infrastructure & modes of transport
- Transport in the Hobart context



Transport and Sustainable Economic Development: Key recommendations

1. Consider impacts of major investments in road infrastructure.
2. Consider impacts of changes to parking space provision in the CBD.
3. Explore and provide opportunities to encourage the shift from private vehicle use to active and sustainable modes of transport.



Local Businesses

The report identified local businesses to be a significant contributor to the Hobart economy and an important source of economic growth.

Small businesses underpin the Tasmanian economy, currently accounting for 97 per cent of Tasmania's business community (Department of State Growth, 2019).

Local business benefits

1. Provide employment
2. Generate local wealth
3. Self-reliant
4. Innovative and responsive in nature
5. Promote community development



Local Businesses: Key recommendations

1. Continue to foster entrepreneurship within Hobart and investigate factors that support entrepreneurship.
2. Offer or direct businesses to materials supporting and teaching general business skills (cash flow, obtaining capital, budgeting, information technology and managing overheads).
3. Consult Hobart-based small businesses to identify specific issues and the potential opportunities to create an enabling regulatory environment.



Tourism

- Tourism benefits
- Negative effects
- Short-term accommodation
- Sustainability



Tourism: Key recommendations

1. Promote off-peak tourism.
2. Encourage the consumption of local resources.
3. Promote sustainable-based tourism.



Climate Change, Energy and Environmental Health

Our research identified climate change, energy and environmental health to have considerable influence over Hobart's economic development.

Findings from Deloitte Access Economics suggest that if climate change continues to be substantially unregulated, Australia's economy will shrink by 6 per cent and have 880,000 fewer jobs by 2070 (Deloitte, 2020).

This contraction represents a \$3.4 trillion dollar cost to the Australian economy (Deloitte, 2020).



Climate Change, Energy and Environmental Health: Key recommendations

1. Continue to update Hobart's climate change adaption strategy in line with recent climate data, economic modelling and advancements in technology.
2. Support the uptake of a Tasmanian renewable hydrogen industry and market Hobart's capacity as a key consultancy and services hub.
3. Undertake energy efficiency renovations on City properties and provide strategic workshops to local businesses to share cost reduction strategies while supporting positive economic and environmental outcomes.



Additional topics for future research

Time constraints presented restrictions on the number of issues included within the report.

Themes to be investigated within further research include the following.

1. Educational attainment levels
2. Technology
3. Academic research
4. International students
5. Shifts in power from government to private corporations
6. Rise of misinformation and a lack of consumer information
7. Level of government spending to stimulate economic growth
8. Public transport
9. Active transport
10. Tourism and hotel development

Conclusion

Overall, our research suggests Hobart is in a promising situation to leverage its key opportunities to create a strong, resilient and diverse economy that can support the welfare of its residents and communities.

An economic development strategy produced by the City of Hobart should encompass a wide array of strategic policies that enable investment, innovation and growth in line with a shared community vision outlined in previous strategies.



Thanks for watching!