

CITY OF LAUNCESTON ECONOMIC DEVELOPMENT STRATEGY

2022 - 2026



City of
LAUNCESTON

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Acknowledgment of Country

We acknowledge and pay our respect to the First Peoples of Tasmania as the traditional owners and custodians of the lands and waters where we live, learn and work.

CITY OF LAUNCESTON **ECONOMIC DEVELOPMENT STRATEGY**

2022 - 2026

Mayor's Foreword

As Australia's third-oldest city, Launceston has witnessed periods of both economic prosperity and decline. The city as we know it was built on the back of early agricultural advantages, industry and ingenuity.

While the tools of trade and technology that we use may have changed, our natural and built competitive advantages and unwavering entrepreneurial spirit means that Launceston will remain a leading contributor in the region.

With fibre-to-the-premise, a transformational CBD University campus under construction, direct flights to Melbourne, Sydney and Brisbane, Launceston is regarded as one of Australia's most liveable and innovative cities.

We understand that while economic development is driven by our business community, the City of Launceston plays an important and supporting role by providing many services to the community, as well as maintaining more than \$2 billion worth of assets. As a Council, we also perform a significant regulatory role as the planning authority.

With this in mind, the City of Launceston Economic Development Strategy 2022-2026 sets out the Council's contribution to the economic progress of our wonderful city.

This Strategy focuses on the contributions that we can make, as a Council, to provide the best possible conditions for business and industry to start, grow and thrive in Launceston.



A handwritten signature in black ink, appearing to read 'A. van Zetten'.

Albert van Zetten
Mayor



Introduction

What does Economic Development mean for Launceston?

Economic Development can mean many things to different people. In 2018, The Western Australian Local Government Association completed an Economic Development Framework Project to facilitate a strategic approach to economic development (ED) in the sector.

This project found that whilst Economic Development doesn't have a consistent definition, local economic development usually focuses on building up the economic capacity of an area in order to improve quality of life (WALGA, 2019).

Economic development therefore focuses on quality outcomes while economic growth focuses on the quantity of outcomes (WALGA, 2019).

There is no exhaustive list of quality outcomes and over time these often change as community expectations change.

Despite what people consider important to them, the one thing that is common in achieving quality outcomes is focusing on people at the centre of everything.

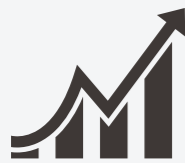
Rather than defining individual outcomes, the City of Launceston will focus on making Launceston Australia's most liveable and innovative regional city, with growing incomes and falling levels of disadvantage. Focusing on this vision will enable the city to adapt to the requirements of the present, whilst remaining focused on achieving outcomes over the long term.

As defined in *Strategic Priority 2 of the City of Launceston Four Year Delivery Plan: a Local Government*, we will use our influence and resources to deliver the foundations for ongoing economic development.

We are going to draw on our learnings and involvement with a number of programs and strategies to focus on:

Enabling Economic Activity

Delivering community services and assets which create a city that is vibrant, innovative, accessible and fair.



Providing Leadership and Vision

Providing community leadership and vision to ensure we are prepared for tomorrow and making the most of today.



Supporting Industry and Business

Providing support to industry and business to facilitate quality income earning opportunities for all members of our community.



Why does Launceston need to have an Economic Development focus?

In a globalized world the function and role of regional economies is changing. "Market-led investment is occurring in many regional areas off the back of tourism, agriculture and renewed mining investment, and will lead to jumps in labour demand and population. Other regions are at risk of getting stuck with a need for workers and people but without the ability to offer the wages and attractiveness to get them. At the same time, persistent disadvantage, constraints to workforce availability, substantial industry transitions coming from changes to energy supply and challenging climatic conditions will make it difficult for many regions to truly capitalise on these opportunities" (Regional Australia Institute, December 2018). Whilst COVID-19 has had an impact on globalisation, Launceston remains in a competitive environment to attract and retain people who have the necessary skills to meet labour demands and contribute to a functioning community.

A significant challenge that Launceston faces is the high levels of disadvantage amongst a large portion of our community. The City of Launceston is acutely aware and is addressing these challenges through program delivery and advocacy. An initiative of the Launceston City Deal, the City of Launceston developed the My Place My Future Plan with the community, the Tasmanian Government and the Australian Government, to provide an integrated approach to the revitalisation of Launceston's Northern Suburbs. The aim of the plan is to deliver the identified actions that support improved lifestyle, social and economic outcomes. Further information on some of the challenges Launceston is facing can be found in the Tomorrow Together discussion on pages 14 - 15.

Why should Local Government have an Economic Development focus?

As the form of government closest to the people, local government can meaningfully impact the everyday lives of its community. The World Bank definition of local economic development is to build up the economic capacity of an area in order to improve quality of life (WALGA, 2019). In simple terms, economic development focuses on quality outcomes while economic growth focuses on the quantity of outcomes (WALGA, 2019).

While business and industry drives economic development, local government influences the 'enabling environment' for prosperity, that is, the services, infrastructure and support mechanisms required to facilitate economic activity.

These enablers include transport networks, appropriately zoned land, as well as the form and function of the central business district and other activity centres. Also important to a local area's economic development is its policy, planning and regulatory framework which supports business innovation, investment and industry growth.



City of Launceston Context

The City of Launceston's normal operational activities together with proactive community initiatives contribute significantly to quality local economic outcomes. The Council is a significant part of the local economy, employing between 500-600 Full Time Equivalent staff (only 9 businesses in the City of Launceston employ over 200 staff) and spending over \$50M on services to the community every year. The City of Launceston is also a significant manager of community assets which are worth close to \$2B including road networks, UTAS Stadium, QVMAG and over 148 recreational areas.

Many community owned assets contribute greatly to the liveability of Launceston including high quality recreational green space such as Riverbend Park, City Park and Royal Park, tree-lined streets and pedestrian pathways, and Cataract Gorge. The built form of the city's heritage buildings, its arts and cultural services and facilities such as Queen Victoria Museum and Art Gallery also contribute to the appeal of Launceston. Furthermore, community services and facilities such as the City's libraries and aged care services, leisure and entertainment facilities including University of Tasmania Stadium and Launceston Aquatic.

Other enablers Council is not directly responsible for, but which it can influence to varying degrees through collaborative partnerships with other tiers of government or institutions, include regional transport and communications infrastructure, health services, education infrastructure, research and innovation infrastructure and a supportive regional planning framework.



The City of Launceston Economic Development Strategy seeks to formalise many years of sustained economic development work by Council that includes amongst other things:

- Funding and collaborating with marketing organisations to promote Launceston as a place to visit
- Advocating for investments in liveability projects such as improved transport infrastructure and community services.
- Facilitating investment, including strategic land use planning and planning permit approvals.
- Managing community assets that deliver long term benefits.
- Delivering a range of business information, networking events and development sessions.
- Supporting a range of employment programs.
- Being a local leader in emerging trends such as the circular economy and smart city technology.
- Assisting in and delivering growth enabling projects.

Strategic Alignment

Economic Development Strategy Purpose and Planning Framework

The City of Launceston Economic Development Strategy 2022 - 2026 provides the framework and direction to facilitate and promote Launceston's economic development over the next five years. The strategy's focus is on the mutually-reinforcing and complementary relationship between improvements in economic activity, community wellbeing, cultural diversity, a sense of place and the environment.

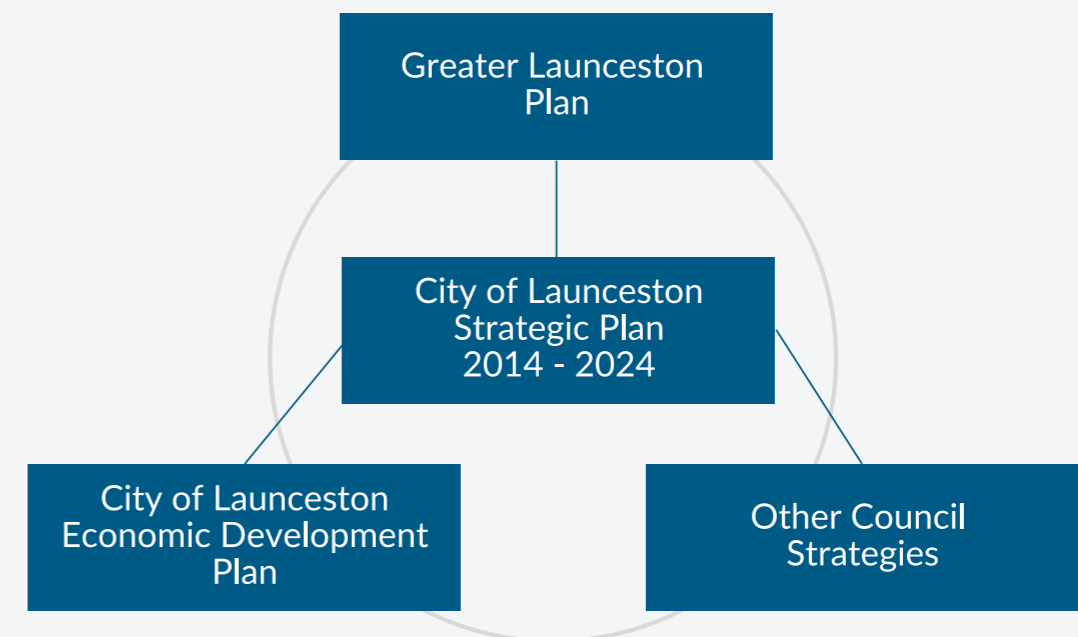
This strategy is aligned with Council's Corporate Planning Framework and has been prepared in the context of the City's broader program of work and strategic objectives.

It also aligns with wider regional goals as articulated in the Greater Launceston Plan.

The below image illustrates the planning framework in which the City of Launceston Economic Development Strategy operates. Importantly, this Strategy articulates a vision for the economic development of the City and Council's economic development functions, operations, strategies and required resources to help realise the vision.

It is important to note that the private sector drives economic development and government alone cannot achieve the economic development vision. Some economic development roles are collaboratively owned whilst others are specifically owned.

Fig 1.1 - City of Launceston Economic Development Planning Framework. Adapted from Horizon 2021: City of Launceston Economic



Northern Tasmania Region

The Northern Tasmania Regional Economic Development Strategy 2019 (REDS) outlined a vision (as endorsed by the City of Launceston) for the greater region to achieve the following targets by 2026:

REDS Targets

- Increase Gross Regional Product by 50%
- Create 8,000 new jobs
- Increase in average weekly wage by \$100 per week

It is widely acknowledged that the prosperity of both the City and Northern Tasmania Region are correlated and interdependent. The City of Launceston recognises that Launceston accounts for approximately 60% of the economic activity in Northern Tasmania. This highlights the importance of Launceston taking a significant leadership position in the greater region.

Since the inception of REDS in 2019, Northern Tasmania has made significant progress towards the targets set.

Despite COVID-19 the region has:

- Increased GRP from \$8,859m to \$9,354m in 2021 (an increase of 5.59%)
- Added 2,579 new jobs from 65,888 in 2019 to 68,468 in 2021 (32% of target)

Weekly income increases will be tracked through the upcoming Census data release.

Tasmania

As the second largest City in Tasmania, Launceston plays a significant role in the State economy producing \$4.75 billion in Gross Regional Product or 14.4% of the state's Gross State Product (economy.id).

In order to maximise the benefits of our actions, the City of Launceston will align our economic development agenda with the broader state priorities where appropriate.

This includes working with our key government partners including the Department of State Growth and the Office of the Coordinator General as well as aligning with key Tasmanian Government strategies and reports including:

- Premier's Economic and Social Recovery Advisory Council (PESRAC) Report
- Tasmanian Visitor Economy Strategy T-21

Commonwealth

The *Launceston City Deal*, signed in 2017, is a ten-year plan to make Launceston one of Australia's most liveable and innovative regional cities, with growing incomes and falling levels of disadvantage.

The *Commonwealth Government, Tasmanian Government* and the *City of Launceston* are working together to deliver integrated investment and practical actions that build on Launceston's strengths and tackle key challenges.

To date, the *City Deal* has seen over \$536 million invested in the City, underpinned by the \$260 million relocation and redevelopment of University of Tasmania's main Launceston campus to the inner city at Inveresk.

The *City of Launceston* recognises the importance of the *City Deal* as a key driver of our economic development agenda. We are committed to ensuring the genuine partnerships forged across all levels of government, the private sector and the community are built on to achieve the vision.

A Whole-of-Council Approach

This strategy is a Council-wide document. The actions that Council undertakes in economic development require the participation of different Council departments, working in a collaborative, whole-of-organisation framework.

While a 'whole-of-Council' approach to supporting and promoting Launceston's economic development is essential, there are a number of 'core' economic development activities which are 'owned' and resourced by a dedicated Economic Development team.

Collaboration for Sustainable Outcomes

This strategy articulates and promotes a partnership approach between Council and other stakeholders in government, the non-government sector and industry. Key partnerships exist with the Australian and Tasmanian Governments within the *City Deal*, the Office of the Coordinator General, Northern Tasmania Development Corporation, CityProm, Launceston Chamber of Commerce, University of Tasmania, Regional Development Australia [Tasmania], Visit Northern Tasmania and other northern Tasmanian councils.

It also includes other important contributors to economic development including but not limited to The University of Tasmania, TasTAFE, Launceston Airport, Bell Bay Advanced Manufacturing Zone, the Australian Maritime College and Australian Department of Defence as well as Tasmania's broader private sector.

Through co-ordinated and collaborative strategic effort, and guided by the actions presented in this Strategy, Council and these other 'agents of change' are well-placed to influence the City's appeal as a place to visit, invest, work, study and live.



COVID-19 Discussion

The 2020-21 Tasmanian State Government budget summed up the impacts of COVID-19 on the Tasmanian economy:

'The economic consequences of the COVID-19 pandemic have been swift, severe and on a scale not seen since the Great Depression. The public health crisis, and the measures implemented to slow the spread of infection, have led to sharp declines in economic activity and employment globally. Despite these measures, outbreaks have continued to occur in many countries through the second half of 2020, including in Australia.'

'The full consequences of the COVID-19 pandemic remain very uncertain. There is uncertainty in relation to the evolution of the pandemic, the associated public health response and the nature and extent of future support measures that will be required to be implemented by the State and Australian Governments.'

Rather than focusing on COVID-19, this strategy seeks to be broad enough to enable flexible delivery despite the current circumstances of the day.

The long-term impacts of COVID-19 in 2022 remain unclear despite vaccination rollouts and adjustments to the new 'normal'.

As a result, this strategy needs to be considered within the context of the ongoing uncertainty.

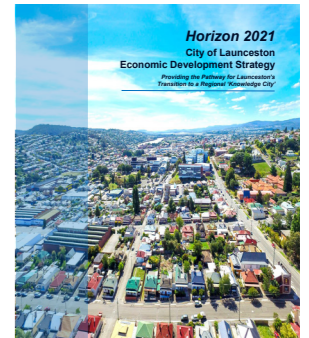


Horizon 2021 Review

Status update on proposed actions

Horizon 2021 City of Launceston Economic Development Strategy was a five year strategy to provide the framework and directions to facilitate and promote Launceston's economic development between 2017-2021. The City of Launceston Economic Development Strategy 2022 - 2026 is an updated extension of Horizon 2021 as the information remains highly relevant today.

Horizon 2021 identified a number of key actions to implement. Many of these actions have been implemented and continue to be relevant today. The following is a summary of the progress made to date:



Theme 1: Cultivate Launceston as a Regional Knowledge City

Horizon 2021 identified 15 actions under this theme. Notable achievements under this theme include:

Action 1.2 Supporting the development of programs to increase home-based and micro-business capacity-building and innovation in Launceston through supporting the redevelopment of Macquarie House which is now home to Enterprize Tasmania in Launceston.

Action 1.5 Developing a 'brand' to market Northern Tasmania as Australia's leading producer and supplier of premium packaged food and beverage products through supporting the successful UNESCO City of Gastronomy Bid and Launceston Place Brand.

Action 1.10 Supporting and promoting activities that advance the transition of businesses to optimize use of technology and take advantage of Launceston's digital advantages in terms of NBN connectivity through business grants business grant as part of the Community Care and Recovery Package to assist businesses to move online.

Action 1.12 Working with State and Federal governments to highlight Launceston's critical infrastructure needs through the development of a Priority Projects Advocacy document and Four Year Delivery Plan.

Theme 2: Support Launceston's Evolution into a Learning City

Horizon 2021 identified 6 actions under this theme. Notable achievements under this theme include:

Action 2.1 Supporting the planned consolidation and relocation of education and research facilities at Inveresk through commitments to critical infrastructure provision, strategic land reservations / allocations and planning provisions through the Launceston City Deal.

Theme 3: Promote Launceston as an Internationally recognized Visitor Destination

Horizon 2021 identified 10 actions under this theme. Notable achievements under this theme include:

Action 3.1 Preparing a new three-year tourism action plan that defines Launceston and Northern Tasmania's tourism attractions and sectors.

Action 3.4 Collaborating with and supporting other agencies including Tourism Northern Tasmania (TNT) to help grow the City's tourism sector as part of a regional Destination Action Plan through the development of the Launceston Place Brand.

Action 3.6 Collaborating with Tourism Tasmania in exploring opportunities for a boutique / 5-star hotel and restaurant development in Launceston through facilitating the progression of the Verge, Gorge and Fragrance Hotel Developments.

Action 3.10 Identifying opportunities for the potential role the City's creative and cultural industries can play in contributing to Launceston's tourism offer through the development of the Launceston Cultural Strategy.

Theme 4: Grow Launceston's Regional Retail and Services Sector

Horizon 2021 identified 8 actions under this theme. Notable achievements under this theme include:

Action 4.1 Continuing to implement the City Heart Project and other initiatives such as the North Bank redevelopment to boost the appeal and attraction of the Launceston CBD and surrounds. The City of Launceston has made significant progress in the past 5 years with City Heart Stage 1 complete, the opening of Riverbend Park, and work well underway to progress City Heart Stage 2 which has a large focus on promoting the night time economy highlighted in Action 4.3. The restructure of Cityprom, which is set to launch on 1 July 2022, is also a key project designed to grow Launceston's retail and services sector.

Informing this Strategy

Strategic Review

In developing this strategy, the City of Launceston undertook a detailed review of *Horizon 2021* and the *Northern Tasmania Regional Economic Development Strategy* as well as a number of internal strategies.

Community input has been taken from the City of Launceston's largest community engagement project: Tomorrow Together. The outcome is a strategy that articulates the role of the City of Launceston in what matters to the Launceston community in local economic development.

This strategy complements the work undertaken by a number of agencies, the Tasmanian and Australian Governments and the business community.

In 2018, the City of Launceston embarked on an 18-month program called Tomorrow Together. The program supports Council to engage with community and stakeholders on over 40 city-shaping and regionally significant projects.

Tomorrow Together is designed around six overarching themes. This report provides a summary of the conversations hosted as part of the third theme: *'A Unique and Prosperous City'*. This theme sought to understand not only the quantifiable aspects of a healthy economy for Launceston but the implications of this on the community, shown by qualities such as work opportunities, a vibrant city, diverse population, and creative and innovative solutions.

The engagement sought to bring the community together to learn about and discuss economic prosperity in Launceston, and for the community to learn more about what Council and its partners are doing to support the city to become more prosperous.



Fig 2.1 - Tomorrow Together

The lived experiences of living and working in Launceston

Learning about the lived experiences of people in Launceston helps Council understand some of the challenges and opportunities in driving Launceston to be a unique and prosperous city. Participants were asked to share their lived experience in relation to cost of living, ability to find employment, housing affordability, and the general opportunities available in Launceston. These questions helped socialise ideas relating to the economy and how the overall performance of the economy can impact on people's everyday lives.

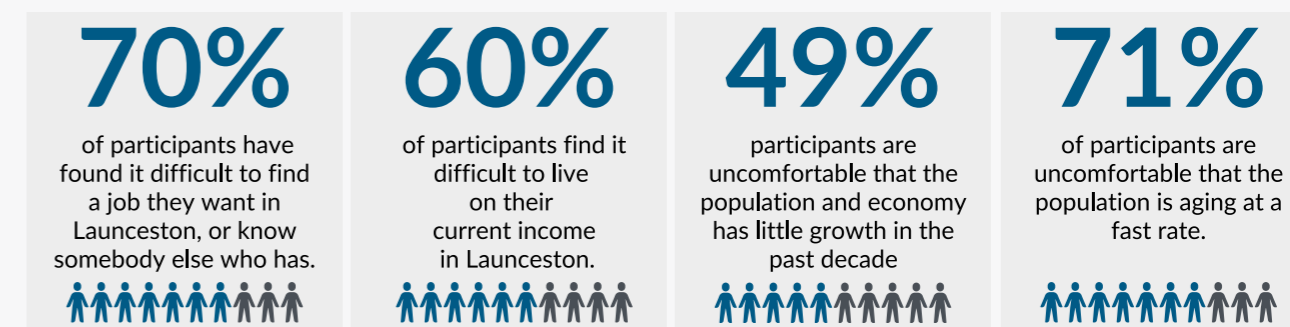
Many participants have found it difficult, or know somebody who has found it difficult to find a job they want in Launceston (70%). There were similarly high rates of people who find it difficult, or know somebody who finds it difficult, to both live on their current income or afford a home (60% and 61% respectively). In terms of access to opportunities, the experiences were varied.

Overall rate of growth

Almost half of participants were very uncomfortable or uncomfortable (49%) with the knowledge that Launceston's population and economy has grown very little.

Those that expressed discomfort were mostly concerned about the impact of these trends on liveability and employment opportunities in Launceston. The following points provide a summary of the concerns people raised:

- Launceston is not economically competitive which impacts both the attraction and retention of people.
- There are few job opportunities and wages are not competitive when compared to other cities.
- Young people often move away from home at the end of their schooling to seek other opportunities that Launceston cannot offer.
- There is a skills shortage that requires employers to spend additional resources on upskilling new employees at a cost to their businesses.
- Thriving businesses are required for good essential services, such as healthcare.



Population and migration trends

In the City of Launceston, *Economy.Id* recorded over the census period 2012 and 2016:

- A large increase in an aging demographic. The number of people aged over 50 years has increased by +4,767 people over the past two census periods [an increase of 5.3%, now 37% of the population]
- A large increase of +1,072 people needing assistance with core activities [an increase of 34%, now 6.4% of population].
- A changing cultural demographic with an increase of +1,429 humanitarian migrants living in Launceston.
- A significant net loss of -1,204 people of working age with young families [last Census period].

Altogether, 71% of participants were very uncomfortable or uncomfortable with the knowledge that Launceston's population is aging at one of the fastest rates in Australia (faster than other Australian regional cities) and that they have a net loss of young families who migrate from the City (nearly 500 people in the past five years).

For those participants that are uncomfortable, concerns largely related to the pressures that an aging population puts on healthcare and social services and reduced investment in education. They also recognised that a younger working population is required to sustain and grow the economy and work in these service areas.

Many of the challenges were about retaining young people in Launceston. Participants communicated that young people need a reason to return to Launceston as young people 'energise the city', bringing diversity and new ideas.

Very few people (13%) were comfortable (or very comfortable) with the ageing population. Of those participants, some reflected on how valuable older people are to the economy through part-time work, teaching younger generations, and their financial independence. Some participants also viewed this trend as inevitable as people are now living longer.

Launceston Overview

With a population of approximately 71,906, Launceston is the commercial and population hub of Northern Tasmania. Historical, innovative, vibrant and connected, Launceston is a regional city that celebrates its heritage whilst embracing the digital age as Australia's first Gigabit City.

Launceston is the natural base to explore the Tamar Valley Wine Route, rated one of the world's top 10 by Essential Travel Magazine (UK), which runs from Launceston to Bass Strait.

Combined with historic architecture, world class produce, welcoming towns including Lilydale as well as natural attractions such as Cataract Gorge, Launceston is fast becoming a region of choice for tourism investment.

Launceston is well connected to the eastern population centres of Melbourne, Sydney and Brisbane with direct flights available through the Launceston Airport (15 minute drive from Launceston CBD) and Bass Strait passenger and freight services on the Spirit of Tasmania which operates through Devonport (1.5 hour drive north from Launceston CBD).

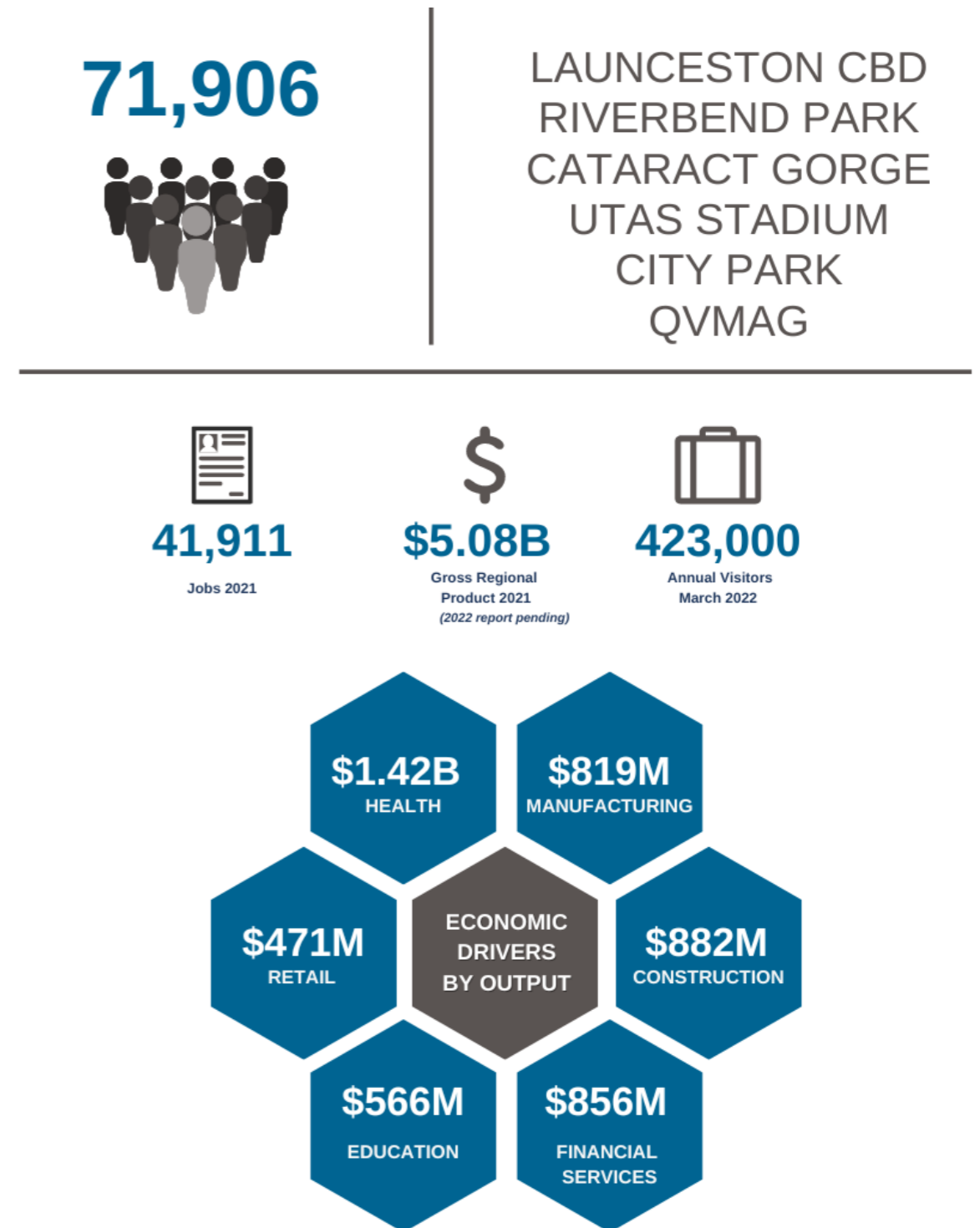
The Launceston City Deal, signed in 2017, is a ten-year plan to make Launceston one of Australia's most liveable and innovative regional cities, with growing incomes and falling levels of disadvantage

The Commonwealth Government, Tasmanian Government and the City of Launceston are cooperating to deliver integrated investment and practical actions that build on Launceston's strengths and tackle key challenges.

To date, the City Deal has seen \$536 million dedicated for investment in the City, underpinned by the \$283.4 million relocation and redevelopment of University of Tasmania's main Launceston campus to the inner city at Inveresk.



Fig 3.1 - Launceston Overview Diagram adapted from Economy Id and Tourism Tasmania - Visitor Survey Dashboard



The Opportunity

A Connected City and Region

Launceston is Northern Tasmania's service hub and is just one-hour's flight from Melbourne. Australia's first Gigabit City, Launceston is one of a very few Australian cities with fibre to the premises. The region is equipped for the digital economy with a Smart City strategy under development, a LoraWAN network, electronic product design/manufacturing and research and development capability through the University of Tasmania's Sense T project.

Northern Tasmania has reliable air and shipping services that enable interstate and international freight and logistics, with capacity increasing to meet a predicted 50% growth in exports from tourism, agriculture, metal processing, and forestry.

The Bell Bay Industrial Precinct of 2,500 hectares has access to green hydropower which supports Bell Bay Aluminium (Rio Tinto), South 32 TEMCO manganese smelter as well as other manufacturers and engineering services. This precinct accounts for approximately 60% of Tasmania's manufacturing exports (RDA Tasmania). Northern Tasmania produces \$700M in agricultural production including an expanding wine industry as well as premium livestock and horticultural produce (REDS 2019).

Launceston and Northern Tasmania are fast becoming a tourism hotspot of Australia with a mix of heritage architecture, inner city fine dining and retail, premium wine and food as well as recreational pursuits such as world class mountain bike trails, golf courses and Cataract Gorge attracting tourists from around the globe.

An Innovative, Productive City and Region

Northern Tasmania has an international reputation for the quality of its food and beverages. Innovative farmers, food manufacturers, wine and other beverage producers make the most of Northern Tasmania's rich soils, mild cool climate, reliable rainfall and extensive irrigation infrastructure. Northern Tasmania accounts for 45% of Tasmania's farmland, and 60% of Tasmania's wine producing area (REDS 2019).

The following initiatives are an example of the work currently underway in the region through the Agricultural sector:

- Food Innovation Hubs
- FermenTasmania
- National food research capacity through the Centre for Food Innovation, Testlab 4.0, and a Microwave Assisted Thermal Sterilisation Unit (MATS)
- City of Gastronomy Designation (UNESCO Creative Cities Certification)

The Australian Maritime College attracts students from all over the world to study shipping, naval architecture, maritime engineering and logistics. It is also home to the Blue Economy Cooperative Research Centre, a world leader in maritime research. A Defence Innovation Precinct is also planned to commence construction on the Australian Maritime College site whilst the Launceston City Deal has supported the University move adjacent to the CBD and an improved education focus.

A Liveable City and Region

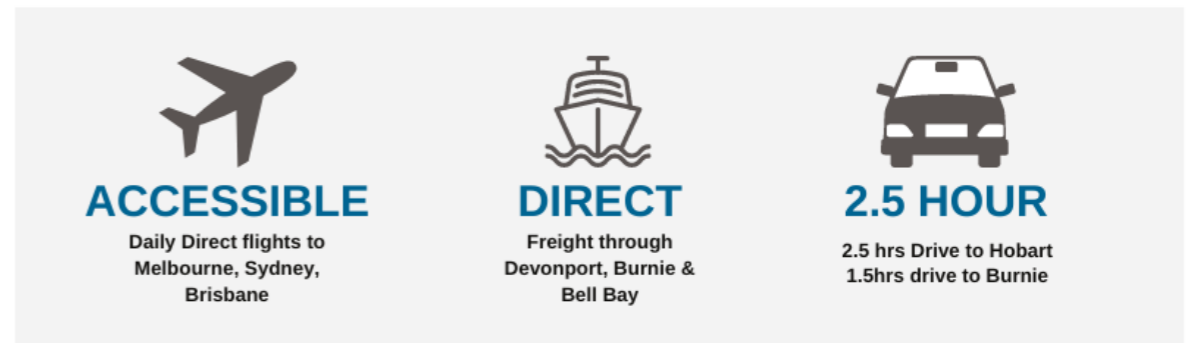
Launceston is a medium-sized regional city, with a rich history where the City meets nature through the Cataract Gorge and surrounding wilderness areas. Launceston enjoys facilities and advantages of a larger city including a range of education facilities, hospital, airport, sports facilities, museums, cultural facilities, parks and attractions.

The Northern Tasmania region has established national parks, world-class walking and bike trails, famous Bay of Fires beaches, and a vibrant arts scene.

Northern Tasmania offers world-class education. The University of Tasmania is in the top 2% of universities worldwide, and offers courses aligned to the region's strengths (REDS 2019).

Fig 4.1 - Launceston Overview Diagram adapted from Economy Id and Tourism Tasmania - Visitor Survey Dashboard

A CONNECTED CITY



A SIGNIFICANT CITY



A VIBRANT CITY





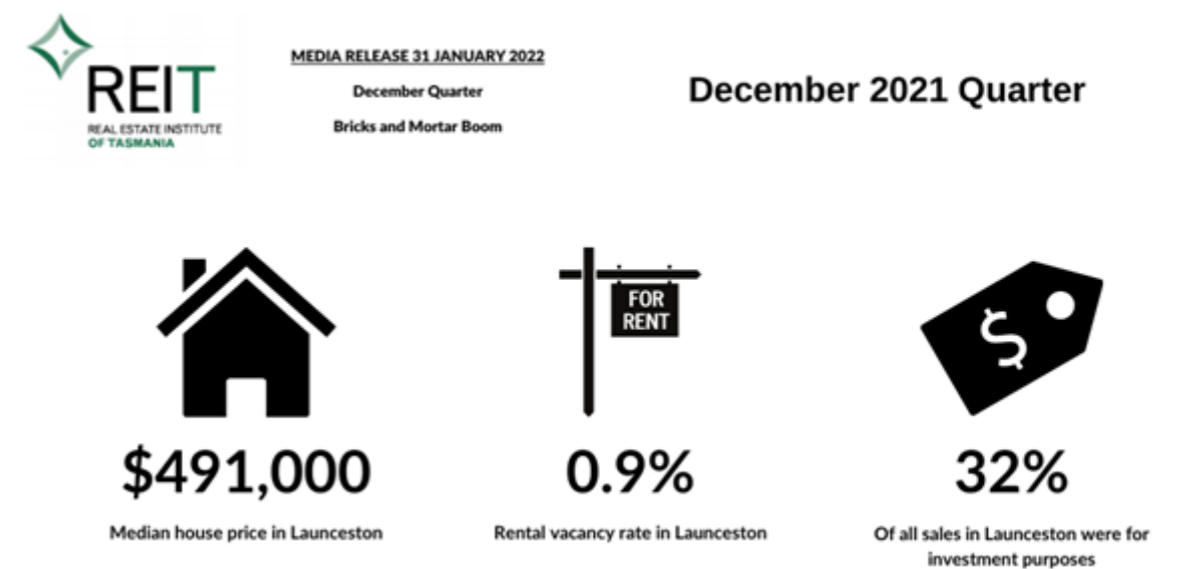
Recent Population Trends and Housing

As noted earlier in this Strategy, Launceston has had a period of low population and economic growth. Due to poor growth between 2014 and 2019, the 2019 projections were downgraded for the Launceston LGA from approximately 74,000 to 70,000 in 2037 (The Tasmanian Government Department of Treasury and Finance).

Since the onset of Covid-19 this trend has started to shift. Launceston has experienced positive population growth in 2020 at 1.15% for the year or a net increase of 779 people (economy .id). Importantly, the growth rate is nearing the Northern Tasmania Development Corporations NTDC Population Taskforce Strategy target of 1.2% annual growth. Early indications suggest that the positive population growth of 2020 has continued in to 2021. The Regional Movers Index is powered by CBA data from relocations amongst its 10 million customers (Regional Movers Index). Launceston was ranked as fourth for regional migration nationwide by annual growth, with a 34% increase in annual growth from capital cities.

This recent growth has impacted the local housing market. Recent data from the Real Estate Institute of Tasmania shows that Launceston is currently experiencing a housing price boom and an extremely tight rental market. The City of Launceston understands that having a sustainable supply of suitable housing is a fundamental element of community stability and economic growth. As the planning authority for the Launceston LGA, the City of Launceston will continue to monitor these trends to ensure this information is factored into planning projections for available land.

Fig 5. 1 - Source: *Real Estate Institute of Tasmania*
Bricks and Mortar Boom - December 2021 Quarter



Key Sectors

Towards Value Add

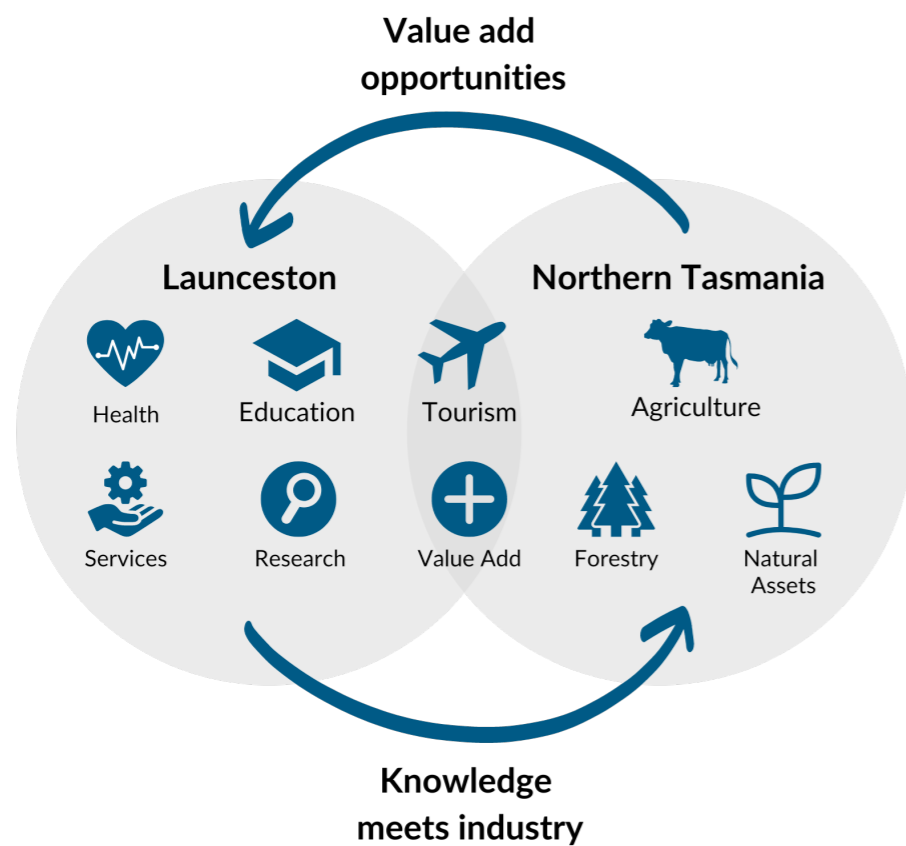
As recognised in the City of Launceston's previous Economic Development Strategy, Horizon 2021, Australia's economy is becoming increasingly dependent on ideas and problem solving. It will be important for Launceston's future to see growth in Knowledge and Innovation industries, whilst maintaining a focus on the sectors that promote a vibrant and liveable city for visitors and residents.

The City of Launceston economy is closely linked to the Northern Tasmania region. The Northern Tasmanian region comprises a third of the state with an abundance of natural assets. These natural assets support highly productive agricultural lands including the majority of Tasmania's wine industry, a significant forestry and emerging tourism sector.

Launceston is the service and population hub of the region. With the \$283.4 million relocation of the University of Tasmania to the inner city currently underway, Launceston is set to become the innovation and value add centre for the region.

Fig 6. 1 - Intrinsic economic links between Launceston and Northern Tasmania

Adapted from *City of Launceston Economic Profile 2016*



Current Employment by Industry

As the service hub of Northern Tasmania, the three largest industries in Launceston accounted for 41% of all local jobs. According to *Economy ID*, in 2019/20 these were:

- Health Care and Social Assistance (7,650 people or 18.9% of employment)
- Retail Trade (5,073 people or 12.5%)
- Education and Training (4,237 or 10.4%)

Fig 7. 1 - Employment by Industry (Total)

Source: *Economy ID*

City of Launceston	2019/20			2014/15			Change 2014/15 - 2019/20
	Number	% Tasmanig		Number	% Tasmanig		
Health Care and Social Assistance	7,650	18.9	14.6	6,831	16.9	13.5	+818
Retail Trade	5,073	12.5	10.5	5,217	12.9	11.0	-144
Education and Training	4,237	10.4	9.3	4,329	10.7	9.4	-91
Accommodation and Food Services	3,235	8.0	7.4	3,117	7.7	7.6	+118
Construction	2,978	7.3	8.3	2,772	6.9	7.7	+206
Manufacturing	2,621	6.5	7.5	2,625	6.5	8.3	-3
Public Administration and Safety	2,470	6.1	8.0	2,536	6.3	8.0	-66
Professional, Scientific and Technical Services	2,428	6.0	5.6	2,041	5.1	4.7	+387
Other Services	1,662	4.1	3.5	1,732	4.3	3.8	-71
Transport, Postal and Warehousing	1,444	3.6	4.3	1,599	4.0	4.5	-155
Financial and Insurance Services	1,340	3.3	2.1	1,443	3.6	2.2	-103
Wholesale Trade	1,191	2.9	2.5	1,497	3.7	3.0	-306
Administrative and Support Services	1,005	2.5	2.6	1,130	2.8	2.9	-124
Arts and Recreation Services	712	1.8	2.4	527	1.3	1.8	+185
Electricity, Gas, Water and Waste Services	710	1.8	1.7	810	2.0	1.8	-99
Information Media and Telecommunications	620	1.5	1.4	784	1.9	1.8	-163
Agriculture, Forestry and Fishing	578	1.4	6.0	603	1.5	5.4	-25
Rental, Hiring and Real Estate Services	520	1.3	1.2	581	1.4	1.4	-61
Mining	85	0.2	1.1	133	0.3	1.4	-47
Total Industries	40,561	100.0	100.0	40,305	100.0	100.0	+256

Source: National Institute of Economic and Industry Research (NIEIR) ©2021. Compiled and presented in *economy id* by *id informed decisions*. NIEIR-ID data are adjusted each year, using updated employment estimates. Each release may change previous years' figures. Learn more
Please refer to specific data notes for more information

Innovation and Value Add

Innovation and Value Add Industries

- Advanced Manufacturing and Agribusiness
- Research and Development
- Forestry and Wood Product Manufacturing

The *Northern Tasmania Regional Economic Development Strategy* highlights the importance of innovation to the City of Launceston and Northern Tasmania:

'Innovation is necessary to achieve a higher value economy with more and higher paying jobs. Innovation allows products and services to move up the value chain, reducing pressure on natural assets and places, and adding to the number of well-paid jobs across the economy. It underpins investment, skills development and economic growth in adaptable and successful regions.'

University research can and should underpin regional innovation. It is important for business to engage proactively with UTAS, other institutions and industry bodies through research, education and skills. Commercialisation of innovative ideas, concepts or processes increases opportunities for exports and higher commercial returns. Initiatives such as the Fermen Tasmania food cluster, the Microwave Assisted Thermal Sterilisation (MATS) food technology in development, UTAS TestLab 4.0, and the transition by more farmers utilising agri-tech in their operations, provide opportunities to leverage innovation in Food Systems.'

Horizon 2021 identified that in an increasingly competitive global economy, access to knowledge and creativity are central to the abilities of businesses to deliver new cost savings or to add value through product differentiation. As a result, people who are paid to solve problems and generate opportunity and wealth through the creation of new ideas - have become the new drivers of economic prosperity.

There is potential to build on the region's traditional economic strengths in agriculture, forestry and manufacturing such as food processing, for example, by consolidating Launceston as an employment location for scientific and technical services to agriculture and forestry, and as a location for 'agribusiness' education, research and innovation.

Northern Tasmania's manufacturing heritage and its clean and green image present opportunities for food and beverage processing, targeting national and international markets. There are also linkages between the region's food production sector and tourism.

Another innovative sector that is starting to take shape in Launceston and Australia is the Circular Economy. Australia's transformation into a circular economy demands new technologies and expertise (*Australian Government, 2022*). Locally, the Circular Economy was kick-started in 2021 with \$300,000 in grant funding provided to businesses, groups or individuals to build capability and scalability in circular economy initiatives with the aim that the initiatives are competitive in new or growing markets. As this sector grows nationally, Launceston can play a significant role as the regional hub.

Knowledge Industries

Knowledge and Education Industries

- Professional, Scientific and Technical Services
- Financial Services
- Education and Training
- Health Care

Launceston is the service and population hub of Northern Tasmania. Major health care facilities, education providers, professional services and the administrative functions of Northern Tasmania's major industries are located in or use services based in Launceston.

Knowledge workers in these service industries place a premium on an area's lifestyle attributes, including its urban amenity, its accessibility to employment, its recreation, leisure and entertainment facilities, and its community and cultural infrastructure. Many of these people need to be well connected with the latest communications and information technology and be supported by the governance of the local area - including industry, institutional and local government support.

A 2016 Regional Australia Institute report ranked Launceston as the most family-friendly small city in Australia, citing low crime rates, low levels of congestion and the best health care, digital connectivity, access to housing and education (RAI, 2016). While Launceston is yet to establish a critical mass of high-value jobs, the City has many attributes which appeal to 'knowledge workers', something that needs to be explored as part of Launceston's approach to investment promotion.

Launceston is also the higher education centre of Tasmania's northern region which is paramount to reinforcing the talent pool for knowledge industries. The \$283.4 million consolidation and re-location of the University of Tasmania's teaching and research facilities at the Inveresk precinct will be a catalyst for the education-driven revitalisation of Northern Tasmania. It will assist the growth of the region's education sector and help attract international visitors to the City (COVID permitting), with associated increases in visitor expenditure.

The Launceston City Deal highlights the benefits of the project to the city:

The University campus redevelopment is projected to increase economic output in the local community by around \$362 million per year over 10 years and have an estimated direct and indirect economic impact of \$965 million during the construction stage. It is projected to create 2,760 new jobs, including 430 new direct jobs across the construction phase and 225 new academic and supporting staff (full-time equivalent jobs).

It will provide the capacity to grow student participation by 10,000 students by 2030, including more than 1,500 international students, and will eventually house 16,000 students, researchers and staff. The project will also support local industries by providing new courses in areas of expected regional jobs growth such as agribusiness and design and technology, and providing flexible space to enable industry-led research and development.

Visitor Economy

Tourism and Visitor Economy

- Arts and Recreation Services
- Accommodation and Food Services

Tourism is a key component of the Tasmanian economy. Recently announced as the Wotif 2022 Aussie Town of the Year, Launceston has a significant tourism economy. The tourism industry produced \$700 million of output (direct and indirect) and over 5,450 jobs in Launceston alone in 2019/20 (economy.id).

Visitor activity impacts on food and entertainment, retail, creative and cultural industries, transport and logistics, sporting and recreation facilities, events and Launceston's accommodation sector.

Launceston acts as the focal point for visitors to Cradle Mountain and Northern Tasmania's growing sports and recreation attractions. These include mountain biking trails such as Derby, Hollybank, North East Rail Trails and internationally significant golf facilities including Barnbogle, Lost Farm and Prospect Vale. Launceston also has heritage attractions such as Clarendon House, sightseeing opportunities including Cataract Gorge, arts and cultural facilities including the Queen Victoria Museum and Art Gallery.

Other attractions in the Launceston region include its food and drink offerings which was recently recognised in 2021 with Launceston being designated as a UNESCO City of Gastronomy. Growth in food-based tourism can leverage and promote Northern Tasmania's agricultural and agribusiness sectors.

Farm gate tourism and tasting trails complement Launceston's heritage image, presenting opportunities for further development of tourism that targets interstate and international visitors. The region's 'food experience' can make a significant contribution to the tourism offering of Northern Tasmania and the Launceston area, reinforcing the potential for growth in agriculture and related sectors.

Another driver of visitor numbers is Hawthorn AFL fixtures played at UTAS Stadium. These matches contribute an estimated \$17.5 million annually in direct expenditure to Tasmania, together with significant brand exposure for Tasmania, estimated to be in the order of \$12 million annually.

A limitation of the local tourism offer is the relative lack of conference facilities. While there are venues such as the University of Tasmania Stadium that provide meeting space and workshop facilities, higher capacity conference venues within the city are limited. Furthermore, although there has been improvement in recent years, there is a relative shortage of boutique and 5-star accommodation and restaurant options in Launceston. Focusing on building a night time economy will improve these offerings.

Retail and Services Sector

Retail Services Sector

- Retail Trade
- Services Sector

Launceston is Northern Tasmania's major retail and service centre and the City's retail sector is a key employer of Launceston residents, accounting for almost 13% of local employment. Retail jobs provide flexibility and are suitable for those people with a need to work around other commitments, such as parents or carers seeking to enter the workforce.

Retail employment also plays a role as an entry point into employment. Research in the United Kingdom suggests 43% of the adult population were employed in retail at some point in their life. It also reveals that most retail-led regeneration schemes increase workforce participation by attracting employees who would otherwise be inactive.

Launceston's food retail sector is a large and growing industry, which has grown in part due to diversification of food products and markets. Household goods retailing as well as cafes and restaurants have shown growth over time, following shifts towards housing markets and the lifestyle economy, while department stores and fashion have been under pressure from new distribution channels including online retail.

One of the opportunities for Launceston is to grow the night-time economy. In the ranking of night time economies across Australia, Launceston ranked 80th, despite being the 2nd largest city in Tasmania (*Ingenium Research*). Research shows that successful global cities have a vibrant and diverse night time economy, with more diverse offerings leading to a more connected and resilient community (*Georges River Council*).

The strength of the night-time economy will also impact on Launceston's tourism potential; the provision of a range of cultural, entertainment and dining facilities typically enhances the potential to attract a more diverse population to urban centres later into the evening. This is recognised in *Launceston's City Heart Project*, with improvements in amenity planned for the city centre to boost night-time offerings.





Economic Development Deliverables

Importantly, this Strategy articulates a vision for the economic development of the City and Council's economic development functions, operations, strategies and required resources to help realise the vision.

It is important to note that the private sector drives economic development and government alone cannot achieve the economic development vision. Some economic development roles are collaboratively owned whilst others are specifically owned.

Economic Development at the City of Launceston relies on a whole of council approach. At the City of Launceston, a whole of council approach to economic development can be broken down into an Enabler of Economic Development and Economic Development Focus.

How does City of Launceston Enable Economic Development?

Many of the City of Launceston's functions enable economic development to occur including:

- Managing community assets that deliver long term benefits.
- Assisting in and delivering growth enabling projects.
- Providing marketing and branding assets through the *Launceston Place Brand*

How does City of Launceston contribute Economic Development Focus?

The City of Launceston also contributes to economic development through direct actions including:

- Advocating to the Tasmanian and Australian Government's for Priority Projects
- Supporting business and industry
- Facilitating investment into the local economy

Enabling Economic Activity

Item	Strategic Focus	Initiative	Description	Economic Deliverable
1.1	My Place My Future Plan	Contribute to the Newnham Masterplan	Contribute to the implementation of the Newnham Masterplan to ensure redevelopment meets local needs and provides access to services.	Economic Development Enabler
1.2	City of Launceston Cultural Strategy 2020 - 2030	Develop the QVMAG Futures Plan	Progress the redevelopment of Launceston's most valuable cultural institution.	Economic Development Enabler
1.3	City Heart Projects	Launceston City Heart Stage 2	Expand the night-time economy by redeveloping St John and Paterson Streets.	Economic Development Enabler
1.4	Launceston Place Brand	Encourage private sector use of online assets	Promote private sector adoption and utilisation of the place brand through active engagement.	Economic Development Enabler
		Build small business skills	Deliver business workshops and social media content on 'how to talk about your place' through the Launceston Place Brand.	Economic Development Focus
1.5	City of Launceston Transport Strategy 2020 - 2040	Focus on city traffic flow improvement	Mitigate the impact of freight traffic through the city centre by defining clear routes that separate freight from areas of high vibrancy and activity.	Economic Development Enabler
		Minimise traffic congestion	Promote active transport options (eg. Cycling and personal mobility devices) and other means of accessing the city other than by personal vehicle (eg. Shared services - Bus, Taxi and Ubers).	Economic Development Enabler
1.6	York Park (UTAS Stadium) Future Directions Plan	Advocate for funding	\$209 million is required to enhance UTAS Stadium's functionality for social, cultural and educational initiatives and to better integrate it with the transformational projects taking place elsewhere in the Inveresk precinct.	Economic Development Enabler
1.7	City of Launceston Smart City Strategy	Deliver the City of Launceston's inaugural Smart City Strategy	Develop a smart city strategy to ensure Launceston has the innovation infrastructure in place to thrive.	Economic Development Enabler
1.8	Circular Economy Initiatives	Promote Launceston as the regional hub of Northern Tasmania's circular economy	Consider delivering further circular economy business grants and promote large scale projects in Bell Bay through the Bell Bay Advanced Manufacturing Zone (BBAMZ).	Economic Development Focus

Providing Leadership and Vision

Item	Strategic Focus	Initiative	Description	Economic Deliverable
2.1	Greater Launceston Plan	Review and update the Greater Launceston Plan	Work with the greater Launceston Councils and NTDC to deliver the renewed Greater Launceston Plan.	Economic Development Enabler
2.2	City of Launceston Four Year Delivery Plan	Maintain the focus on delivering the initiatives in the Four Year Delivery Plan	Deliver projects and initiatives on time and in line with the four year delivery plan to provide certainty to the private sector.	Economic Development Enabler
2.3	Launceston City Deal	Program the extension of the Launceston City Deal (Years 6 - 10)	Work with the Tasmanian and Australian Governments to develop the initiatives for years 6 to 10.	Economic Development Enabler
2.4	NTDC Population Taskforce Strategy	Promote Launceston as a great place to visit, live, work, study and invest	Support initiatives that promote Launceston as a great place to live, work, study and invest. This may include delivering online resources for people considering a move to Launceston.	Economic Development Focus
2.5	Priority Project Advocacy	Develop key advocacy material	Develop and maintain a Priority Projects Document and Online Priority Project Hub.	Economic Development Focus

Enabling Economic Activity

Item	Strategic Focus	Initiative	Description	Economic Deliverable
3.1	Business Friendly Council Initiative	Develop and rollout the Business Friendly Council Initiative	Develop the City of Launceston's first Business Friendly Council initiative which promotes a whole of council focus on positive working relationships with the business community. This may include delivering resources such as the 'How to Start a Home-Based Food Business' workshop.	Economic Development Focus
3.2	Facilitate investment	Develop an investor procedure	Develop a streamlined City of Launceston investor procedure to facilitate investment into Launceston.	Economic Development Focus
3.3	Partner to promote investment	Work with the Tasmanian Government to promote investment.	Collaborate with the Tasmanian Government to produce a Northern Tasmania Investment Prospectus.	Economic Development Focus
3.4	Data Focused	Maintain and analyse local data trends	Maintain a suite of local data sources to inform the annual State of the City Report and Council strategies.	Economic Development Focus
3.5	Work with industry partners	Maintain industry relationships	Work with key partners including Cityprom, Launceston Chamber of Commerce, Visit Northern Tasmania and the Northern Tasmania Development Corporation to improve outcomes for the business community.	Economic Development Focus

Metrics

Indicators of wellbeing over the long term

The City of Launceston has determined that measuring 'economic development' locally means focusing on a longer time period, taking into account a much broader range of indicators (WALGA, 2019). Our focus is on achieving quality outcomes over the long term. This means that we are committed to measuring outcomes over a time-frame that will extend past the life of this strategy. For some measures, this will require multiple Census periods to observe change.

Priority Quality Outcomes, Targets and Indicators

Priority Quality Outcomes

- Australia's most liveable and innovative city
- Falling levels of disadvantage (SEIFA) and growing levels of participation and income
- A city and region of choice for investment
- Working age population growth and retention

REDS Targets - by 2026 the region will see:

- Increase Gross Regional Product by 50%
- Create 8,000 new jobs
- Increase in average weekly wage by \$100 per week

Key Indicators

Success over the long term will be measured by progress against key economic metrics through the Annual State of the City Report, which may include the following:

- Jobs, unemployment, underemployment and participation
- Gross Regional Product
- Increase in real wages
- Falling levels of disadvantage (SEIFA Scores)
- Development Assessment data
- Growth in key sectors
- Visitation Data
- Population growth
- Consumer spending
- Delivery of economic initiatives

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Disclaimer

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Acknowledgments

The City of Launceston Economic Development Strategy 2022 - 2026 has been prepared by the Strategy, Economic Development and Analytics Team from the City of Launceston.

Considerable information has been sourced from Horizon 2021 - City of Launceston Economic Development Strategy which was prepared on behalf of the City of Launceston by Hill PDA Consulting and SC Lennon & Associates PTY LTD.



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