CENTRAL COAST COUNCIL
19 King Edward Street, Ulverstone, Tasmania

Submission

Economic Diversification and Investment Strategy – Consultation Draft

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1. Introduction

Central Coast Council welcomes the opportunity to comment on the Economic Diversification and Investment Strategy (the Strategy), released by Building Tasmania (formerly the Department of State Growth) as a Consultation Draft. Council recognises the Strategy as an important attempt to bring a fragmented state economic policy landscape into a single, aligned framework, and supports its overarching intent to lift private investment, productivity and participation across Tasmania.

Central Coast has invested substantially in its own evidence base over the past two years, including its Economic Development Strategy 2025–2035, the Economic Baseline Study (Ethos Urban, 2024), the Population Growth Policy Our People Our Future, the Central Coast Industrial Land Analysis, and the Retail and Activity Centre Study.

This submission draws on that body of work to comment on how the draft state Strategy will be experienced from the municipal level, and to identify where it may fall short of, or usefully be strengthened for, the circumstances of a smaller regional council such as Central Coast.

The comments below are offered constructively and in the spirit of the Strategy's own stated intent to be shaped by the people and businesses it is meant to serve.

2. Summary of the Draft Strategy

The Strategy sets out a vision of 'a thriving and dynamic Tasmanian economy that creates opportunity for every region and every generation', to be pursued through three goals: growing a more resilient economy through private investment; lifting productivity, innovation and competitiveness; and increasing participation and strengthening regional opportunity. These goals are to be delivered through six strategic priorities, summarised below.

Priority	What it means
1. Unlocking private investment	A clearer, faster and more competitive approval and facilitation pathway for investors, including a proposed Economic Future Act for major job-creating projects.
2. Accelerating growth and innovation	Building new sources of value through advanced technology clusters (precision agriculture, autonomous marine systems, AI computing, biosecurity, remote health, extreme-environment engineering).
3. Lifting productivity	Addressing Tasmania's productivity gap through digital connectivity, technology adoption, skills, and reduced regulatory burden, aligned with national Productivity Commission and Competition Framework reforms.
4. Activating our regions	Connecting regional strengths, land use, infrastructure and workforce planning, using functional labour markets rather than council boundaries as the unit of analysis.
5. Growing our capability	Building the workforce and skills base needed, including through migration, education alignment, and the Regional Jobs Hub model.
6. Strengthening infrastructure	Aligning energy, digital, transport, water and land supply with economic priorities, including community benefit arrangements for major energy investment.

Four decision-making principles are proposed to guide how these priorities are applied: directing support to Tasmania's comparative advantages; using public resources strategically rather than substituting for private capital; making trade-offs transparent; and measuring outcomes rather than activity. The Strategy is intended to sit above a layered set of existing sector strategies and to be followed by action plans with public implementation reporting.

3. Central Coast in Context

Council's own evidence base establishes a specific local profile against which the Strategy's priorities should be tested. Key findings from the Economic Baseline Study (Ethos Urban, 2024) and Council's Economic Development Strategy 2025-2035 include:

- **Central Coast has a population of 23,378 and 1,523** registered businesses, generating a Gross Regional Product of $1.15 billion, equivalent to $146,596 per worker and $49,206 per capita. This is a rise from $1.019 billion in 2017.
- **Agriculture and agricultural services** generate 9.7 per cent of Central Coast's total economic value added, compared with 5.3 per cent for Tasmania overall. Agriculture generated $105.2 million in total output in 2025, driven primarily by our vegetable and fruit production sector. The municipality's economy remains considerably more reliant on agriculture than the state as a whole, at almost twice the intensity, farmed across smaller landholdings averaging 117 hectares against a state average of 591 hectares.
- **Food product manufacturing** accounts for more than 70 per cent of Central Coast's manufacturing value added and around 60 per cent of manufacturing jobs, underlining the tight linkage between the region's agricultural base and its downstream processing industry. Metal and metal product manufacturing has also grown by over 11 per cent since 2018, pointing to genuine diversification already underway within the sector.
- **Central Coast's remaining 1.8ha supply of industrial zoned land** equates to 1.5 years of supply, well short of the 15-20 year supply considered best practice, with the Maskells Road site in East Ulverstone identified by both Council and Ethos Urban as the standout rezoning priority.
- **Central Coast experiences a net outflow of 3,090 residents** who work outside the municipality, principally in Devonport and Burnie in health and retail occupations, reflecting a genuine functional labour market that crosses council boundaries.
- **Professional, scientific and technical services** are Central Coast's fastest-growing value-adding industry, up 7.3 per cent per annum and $20.2 million in value added between 2018 and 2023, though the workforce needed to sustain this growth is constrained by comparatively lower rates of tertiary qualification and a labour force still weighted towards blue-collar occupations, 37.2 per cent against a state average of 31.9 per cent.
- **Escape expenditure is significant**, with 49 per cent of local retail spending, around $190 million, currently lost to other regions. A retail floorspace shortfall of 5,140 square metres is projected to grow to 13,180 square metres by 2039 without further retail development.
- **Central Coast's population is ageing faster than its immediate neighbours**: a median age of 47.4 years compares with 42.4 years in Devonport and 40.1 years in Burnie and is forecast to rise to 53.8 years by 2053 without intervention. Residents aged 65 to 84 and over already make up 21.9 per cent of the population, against a state average of 18.6 per cent, yet the municipality has no hospital of its own and relies on facilities in Latrobe and Burnie.
- **The cost of doing business in the region**, particularly the cost of utilities delivered by TasWater, TasNetworks and TasPorts, and the cost of freight across Bass Strait, is identified as a major threat to competitiveness.

- **Digital connectivity across the municipality is described as patchy**, and access to public transport and direct air travel is limited. Central Coast also currently has none of Tasmania's 217 public electric vehicle charging locations, meaning EV users may bypass its towns altogether.
- **The Tasmanian Government's own forecasts point to economic decline** for the state by 2053, a horizon Council has explicitly cited as a reason to forearm the region for growth while conditions allow.

4. Areas of Alignment and Support

Council notes strong alignment between several elements of the draft Strategy and its own priorities, and wishes to record its support for these directions:

- **Priority 1's commitment to faster, more predictable rezoning pathways** directly supports Council's own priority to rezone Council-owned land at Maskells Road and expand the East Ulverstone industrial precinct, both identified as urgent in Council's Industrial Land Analysis.
- **Priority 2's identification of energy-intensive digital infrastructure**, aligns directly with Council's own action to attract private investment in Central Coast, timed to leverage the completion of the Marinus Link. Council encourages the Government to help councils and communities to better understand and leverage these types of opportunities, including data centres. Council considers this a concrete, near-term opportunity for the state and municipality to partner on, rather than a theoretical alignment.
- **Priority 4's use of functional labour markets, rather than administrative boundaries**, as the unit for regional engagement reflects the economic reality documented in the Baseline Study, where Central Coast operates as an integrated labour market with Devonport, Burnie and Latrobe.
- **Priority 5's emphasis on the Regional Jobs Hub model** and on aligning migration, education and housing settings mirrors the intent of Council's own Population Growth Policy, Our People Our Future.
- **The Strategy's decision-making principles**, particularly evidence-based, transparent trade-offs and a focus on outcomes over activity, are consistent with the flexible, evidence-led approach Council has itself adopted in its Economic Development Strategy.

5. Impacts and Shortcomings from a Municipal Perspective

Notwithstanding the alignment above, Council has identified a number of areas where the draft Strategy, as presently framed, risks overlooking the circumstances of a smaller regional municipality, or where its stated intent will need to be matched by specific, funded commitments to have real effect in Central Coast.

We strongly recommend them to the State Government for consideration.

5.1 Reform must reach council-scale priorities, not only 'major projects'

The proposed Economic Future Act and streamlined investment pathway are framed around 'major job-creating projects' of strategic economic significance. Central Coast's most pressing land use priority, the rezoning of the Maskells Road site, is precisely the kind of council-identified, moderate-scale industrial opportunity that a major-project pathway may not reach.

With only 1.5 years of industrial land supply remaining against a best practice 15-20 year benchmark, Central Coast cannot afford for planning reform to be calibrated solely to billion-dollar precincts such as Macquarie Point or Project Marinus.

Council seeks explicit assurance that the faster, clearer pathways proposed under Priority 1 will apply with equal urgency to council-nominated priority sites of regional, rather than state, significance.

Council stresses however, that faster and clearer pathways do not necessarily require major changes to existing Council-led development assessment processes, or the creation of alternative pathways, which would likely increase complexity and uncertainty.

Rather, we believe the biggest areas for improvement are in strategic land use planning (which must involve councils and state agencies), and the way that state agencies handle and respond to planning referrals.

Managed well by government, improving the quality and frequency of strategic land use planning, should also reduce the time, cost and uncertainty associated with Tasmanian Planning Commission processes.

5.2 Established value-adding industries risk being overshadowed

Priority 2's illustrative innovation clusters (precision agriculture and aquaculture, autonomous marine systems, AI computing, biosecurity, remote health technologies) are framed around emerging capability.

Central Coast's significant contribution to the state economy is instead built on an established, high-performing agricultural and food-processing base, at nearly three times the state's average intensity, plus a fast-growing professional and technical services sector.

The Strategy should recognise, alongside emerging technology domains, the ongoing economic weight of established regional value chains, and should ensure funding and facilitation support is not directed only towards novel or high-technology proposals at the expense of proven regional strengths.

5.3 Cost of doing business: energy, water and freight

Priority 6 addresses energy and infrastructure largely through the lens of competitive neutrality and community service obligations for government businesses.

Council's evidence base identifies the cost of utilities delivered by TasWater, TasNetworks and TasPorts, and the escalating cost of Bass Strait freight, as material threats to the competitiveness of Central Coast businesses, particularly in agriculture and food manufacturing where margins are already tight.

Most urgently, the lack of supply capacity from TasWater is now well past critical level due to the supplier's self-identified inability to provide capacity for industrial or domestic developments.

TasWater's recent advice – that anything larger than a two-lot subdivision in parts of Ulverstone will require additional storage at the developer's expense – has come as a shock to Council and our community and has immediately undermined the feasibility of important residential infill opportunities and Council's own critically important industrial land expansion program. These issues are likely more widespread, and we implore the Government to attend to them with far greater urgency.

Our region has a high incidence of cross-border employment which is disrupted by stalled construction and manufacturing, along with rising costs of doing business, all of which cause delay to urgently needed local workforce growth. Our LGA cannot afford any downturn in available tradesmen if they are forced to seek work elsewhere.

Council's Economic Development Strategy advocates directly for improvements to the Freight Equalisation Scheme. The Strategy would benefit from a more direct commitment to address the cost of government business enterprise services and freight for regional exporters, rather than principles alone.

5.4 Digital connectivity needs a funded, prioritised pathway

The Strategy correctly identifies reliable, affordable digital connectivity as a precondition for productivity gains, particularly for businesses outside Tasmania's larger centres. Central Coast's own evidence describes digital uptake in the municipality as patchy and access as inconsistent. Council seeks a specific, funded rollout commitment and timeframe for improving connectivity in areas such as Central Coast, rather than a general statement of intent, given the productivity, technology adoption and AI-readiness goals elsewhere in the Strategy depend on this foundation being in place first.

5.5 Demographic pressure requires regional retention and attraction settings

Goal 3 and Priority 5 acknowledge Tasmania's ageing population and the coming natural population decline. This pressure is more acute in Central Coast than in the state overall, and Council's Population Growth Policy already targets a younger, larger population as the foundation of economic sustainability.

Many of the relevant levers, including migration settings, income support and employment services, sit with the Australian Government, and the Strategy proposes only to advocate on these matters. Council seeks a stronger commitment to regionally differentiated migration and skilled-worker attraction settings that favour smaller regional municipalities such as Central Coast, which otherwise risk being overlooked in favour of Hobart and the larger population centres.

5.6 Population ageing should be recognised as both an economic opportunity and a constraint

The draft Strategy treats an ageing population and declining labour force participation almost entirely as problems to be managed. Recent public commentary on the draft Strategy, including many salient points made by Tasmanian demographer Dr Lisa Denny in The Mercury's Talking Point, correctly argues that this framing overlooks longevity itself as what she describes as 'the most significant economic and social transformation' underway across the developed world.

Older, healthier and more active residents are also a growing source of consumption, investment and continued economic contribution through work, leisure and civic participation, not simply a cost to be offset.

Central Coast's own evidence base already reflects this duality, even where the draft state Strategy does not. Council's Population Growth Policy, Our People–Our Future, sets out three goals: lower the average age of residents, improve educational attainment and increase the population, precisely because Council recognises ageing as a current, severe restriction on economic growth if unaddressed.

At the same time, **Council's Economic Development Strategy treats the health and aged care task as a genuine growth opportunity,** not only a service burden, through actions to grow a younger health workforce that supports ageing in place, and to develop diverse housing options for the over-55s market. Investment in health services, workforce upskilling and initiatives to lower the average working age should be understood as direct levers for regional economic growth, not only as social supports.

Council recommends that the final Strategy recognise longevity and the health, aged care and retirement living economy as a legitimate growth domain in its own right under Priority 2, **alongside its emerging technology clusters, and ensure that Priority 5's capability agenda treats workforce upskilling and health workforce attraction as economic growth measures in regional communities such as Central Coast, not only as cost pressures to be contained.**

5.7 The visitor economy is under-recognised as a growth priority

Tourism does not feature among the illustrative growth domains listed under Priority 2, despite Council's own Baseline Study identifying clear tourism growth opportunity, particularly through longer visitor stays and the arrival of the new Bass Strait passenger ferries. Central Coast's tourism offer, built on agritourism, natural assets and its distinctive regional character, is a genuine and currently under-leveraged growth opportunity. Council recommends the visitor economy be explicitly named alongside the Strategy's technology-oriented growth domains, not treated solely as a legacy sector.

5.8 Health and aged care workforce gaps require a regional lens

Beyond the broader opportunity set out at 5.6, **Council's Baseline Study identifies specific, near-term gaps in local health service delivery, including the absence of a hospital in Central Coast and the case for a co-located health precinct in Ulverstone.** Priority 5's treatment of workforce and capability is largely generic. **Council seeks recognition, within the Strategy or its supporting action plans, of the specific opportunity and need to attract health and allied health investment** to regional communities such as Central Coast, rather than assuming health sector innovation and service delivery will concentrate in Hobart.

5.9 Community benefit-sharing for energy infrastructure needs regional equity

Priority 6 references strengthening community benefit arrangements, building on approaches developed for major renewable energy investments.

Much of the infrastructure supporting Tasmania's energy transition, including transmission and network assets, passes through or near north-west communities such as Central Coast without necessarily delivering local benefit in the way a hosting community would.

Council seeks clarity on how community benefit-sharing arrangements will apply to transit and connection corridor communities, not only to sites of generation, to ensure Central Coast shares equitably in the value created by state-significant energy infrastructure within or near its boundaries.

5.10 Clean transport infrastructure has bypassed Central Coast entirely

Priority 3 links productivity and technology adoption to Tasmania's **broader energy and digital foundations**, and Priority 6 discusses energy infrastructure in similarly general terms. Central Coast currently hosts none of Tasmania's 217 public electric vehicle charging locations, a genuine gap given the municipality sits on the state's busiest coastal corridor between Devonport and Burnie.

Council is proactively seeking private and government co-investment in charging infrastructure, but this is precisely the kind of practical, place-based infrastructure gap that a state-level Strategy focused on major energy users and transmission assets risks overlooking.

Council seeks recognition of small-scale but locally significant infrastructure gaps of this kind within Priority 6's implementation, alongside its focus on large energy consumers and generators.

5.11 Decentralise Government

Decentralisation of Government Departments to regional locations in 2017 heralded a welcome policy shift. It aimed to place portfolio-decision-making, specialised agency arms and service delivery hubs closer to regional stakeholders.

The benefits of such policies were to deliver economic support to stimulate regional economies, counter population drain and lower unemployment. Now, almost a decade later, regional Tasmania has seen little positive benefit, and no positive change, with reasons cited for no action ranging from:

- Logistical hurdles of splitting workforces creating communication silos and travel inefficiencies between Hobart and regional offices; and
- Administrative costs and high set-up costs that were difficult to the justify during tight budgetary cycles on items such as, technological duplication, transition costs.
- Many of the reasons for not proceeding with change have seriously diminished in the decade since, given superior methods of communication and connection.
- Commercial and domestic property rents in rural and regional centres now present significant cost benefits compared to the State Capital and decentralisation would also provide benefit to the housing congestion and pricing of property in Hobart.

6. Summary of Recommendations

Council recommends that the final Strategy and its supporting action plans:

1. **Confirm that streamlined planning and investment facilitation pathways under Priority 1 will apply to council-nominated, regionally significant sites such as Maskells Road**, not only to major state-significant projects.

2. **Explicitly recognise established, high-performing regional value chains**, particularly intensive agriculture and food product manufacturing, as a priority alongside emerging technology clusters under Priority 2.

3. **Commit to specific, funded measures to address the cost of government business enterprise services** (energy, water, ports) and Bass Strait freight for regional exporters, beyond the stated competitive neutrality principles.

4. **Set a funded, time-bound digital connectivity rollout commitment for regional municipalities** where uptake and access remain patchy.

5. **Strengthen regional differentiation in migration and workforce attraction settings**, so smaller regional municipalities are not overlooked relative to Hobart and larger population centres.

6. **Recognise longevity and the health, aged care and retirement living economy as a growth domain** under Priority 2, and treat investment in health services, workforce upskilling and lowering the average working age as economic growth measures under Priority 5, not only as cost pressures.

7. **Name the visitor economy explicitly as a growth priority** under Priority 2, reflecting the genuine opportunity identified in Council's own Baseline Study.

8. **Recognise the specific opportunity to attract health and allied health investment and service delivery** to regional communities as part of Priority 5's capability agenda.

9. **Clarify how community benefit-sharing arrangements for energy infrastructure will apply** to transit and connection corridor communities, not only generation host communities.

10. **Recognise Central Coast's investment attraction, timed to leverage completion of Marinus Link.** Help councils and community better understand and leverage concrete investment opportunities under Priority 2's AI computing and digital infrastructure growth domain, including data centres.

11. **Ensure Priority 6's infrastructure agenda addresses small-scale but locally significant gaps**, such as the complete absence of public EV charging infrastructure in Central Coast, alongside its focus on large energy users and generators.

12. **Reconsider the value of decentralisation of Government Offices to regional Tasmania** to grow and upskill regional populations, lower the average working ages of regional populations, balance housing demand, revitalise regional economies and provide access to government services.

7. Conclusion

Central Coast Council supports the overarching intent of the Economic Diversification and Investment Strategy and welcomes the opportunity this consultation process provides.

Council's comments above are intended to ensure the final Strategy and its action plans translate as effectively for a smaller regional municipality with a strong agricultural and manufacturing base as they are designed to for the state's larger centres and major projects.

Major Projects at a truly regional Level

In summary, it must be stated that major projects should be consistently encouraged to locate in regional areas where they have not traditionally sought a "home" so there can be a greater degree of growth equity delivered to regional LGA's where capacity, capability and economic futures can be better secured, and a ready stream of worthwhile Tasmanians can secure a future.

Size and scale must equal investment equity

It must also be noted that the population of Central Coast is larger than that of Burnie by approximately 2,958 people but Central Coast consistently receives less State strategic investment attention and recognition by a large margin.

We hope this inequity becomes an action of the past and that Central Coast is afforded its correct place as a major centre of economic activity on the north west coast.

Working together

Council looks forward to continued engagement with Building Tasmania as the Strategy is finalised and as action plans are developed. We would welcome the opportunity to discuss this submission further.

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