

Optimism.
Resilience.
Collaboration.
Innovation.

Small Business Growth Strategy

2026



We recognise the deep culture and history of this island and acknowledge and pay respect to the Tasmanian Aboriginal people; the past and present custodians of this land.

Introduction



PHOTO Geoneon develop scalable solutions to anticipate the impact of climatic disasters. CREDIT Samuel Shelley.

“The most important voices on the future of business in Tasmania are those of Tasmanian businesses.”

This strategy aims to pursue the creation of a sophisticated, modern operating environment that supports Tasmanian businesses to be resilient, innovative, collaborative and to achieve their goals – whether they be modest or substantial.

The Tasmanian Government worked with project partners, the Tasmanian Chamber of Commerce and Industry (TCCI) and the Tasmanian Small Business Council (TSBC), to consult widely with Tasmanian businesses and produce this strategy.

We heard from 280 individual businesses, industry representative organisations and communities from across Tasmania through roundtable discussions, one-on-one interviews, a survey and email submissions. This strategy reflects what they told us about the current and future business environment, their challenges and opportunities.

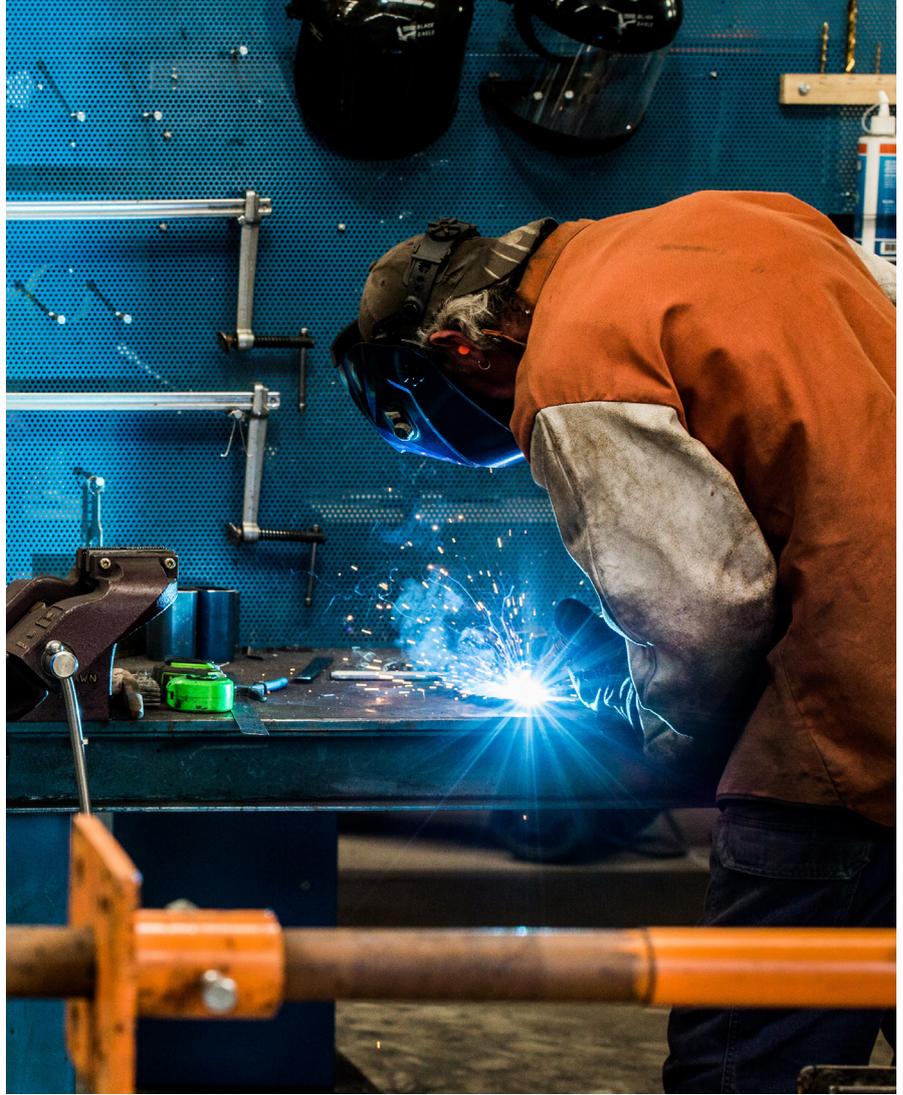


PHOTO Jayben Group Industrial Manufacturing. CREDIT Natasha Mulhall.

Minister's foreword

Tasmania is a state where we value our businesses and know the positive contribution they make to our economy and communities.

The majority of Tasmanian businesses are small businesses operating in niche industries, and they provide high quality produce, services, resources and products to our state, the rest of our nation, and the world. This strategy unreservedly focuses on our intentions for the future. This includes recognising the impacts and benefits of the rapidly changing digital landscape which

will continue to impact all facets of business activity.

Tasmanian business owners feel optimistic and have been experiencing strong demand for their products and services, but despite our strong economic performance we are not immune to the economic challenges facing the world.

Guided by the information provided by our businesses, this strategy identifies challenges and opportunities, and sets out objectives for the Tasmanian

Government and the business community to join together to help our businesses to thrive.

I thank the members of Tasmania's business community that contributed to this strategy and look forward to working with you all to drive progress and continue to make Tasmania a great place to do business.

Madeleine Ogilvie
Minister for Small Business.

Growth for all Tasmanian businesses



PHOTO Dark MOFO Winter Festival, Hobart. CREDIT Jarrad Seng.

“When the rest of the world chases growth, we chase meaning”

This strategy presents an overview of the current state and future aspirations of Tasmania’s business environment, informed by Tasmanian businesses, representative organisations, and government. It sets out the key themes that matter to Tasmanian businesses and the objectives that will guide the development of implementation plans for government and Tasmania’s business community.

While this is a Small Business Growth Strategy, we do understand that the word “growth” means different things

to different people. Growth can mean starting a business, growing market share, or building resilience to maintain the Tasmanian way of life and enjoy the lifestyle benefits that Tasmania has to offer.

This strategy aims to create a productive, connected and sustainable business environment for all Tasmanian businesses, one that enables all members of Tasmania’s business community to grow their business in the way they choose.

Economic overview



PHOTO Blue Hills Honey sourced from the pristine takayna / Tarkine wilderness since 1955. CREDIT Rob Burnett.

Global outlook

There are a number of challenges that are projected to have a lasting impact on the global economy, including geopolitical events, supply chain disruptions, global food and energy prices, high inflation, and rising interest rates. Tasmania, like the rest of Australia, is not immune to these factors, but we continue to perform well and act on the opportunities presented by challenging economic conditions.

Economic activity

Tasmania's economy consistently performs strongly when compared with other states and territories in Australia and regularly ranks highly in the economic indicators featured in reports such as CommSec's State of the States Report.



PHOTO David Shering, Handbuilt Creative. Specialists in bespoke, photorealistic Augmented and Mixed Reality. CREDIT Samuel Shelley.

Tasmanian businesses

There are over 42 000 businesses operating in the Tasmanian economy, many of which are small businesses defined as having 19 or less Full-Time Equivalent (FTE) employees.

Tasmanian businesses have consistently led the nation in relation to business survival rates compared to other states and territories, and further demonstrate Tasmania's strong economic performance through a relatively low level of business related bankruptcies.

Technology

Technology is rapidly reshaping the global economy and digital technologies are becoming increasingly critical in production processes.

The development and adoption of new technologies is taking place at a significantly faster pace than ever before.¹ Digital technologies have opened up significant prospects for global growth and economic success is intrinsically linked to the ability of businesses to embrace and actively

participate in the digital revolution. The rise of digital applications and enabling platforms has created an accessible marketplace, providing the foundation for a new wave of start-up success.² Tasmania's geographic, demographic and economic diversity along with its size means that it provides a robust, representative and easily accessible sample population for businesses wanting to test and adapt their products for new markets.³

¹ The 8 Major Forces Shaping the Future of the Global Economy (visualcapitalist.com)

² Tasmanian_Trade_Strategy.pdf (stategrowth.tas.gov.au)

³ Tasmania – Gateway of opportunities (cg.tas.gov.au)



PHOTO Troublesmiths Youth Social Enterprise. CREDIT Samuel Shelley.

Labour markets

Tasmania's labour market is strong, with employment at a record high and unemployment at a near historic low, although this buoyant labour market presents new challenges such as shortages in labour supply. Tasmania also needs to address factors such as an ageing labour force.

Emerging digital trends, such as cybersecurity, drone technology and robotics are all projected to have a significant impact on global economic

activity going forward, but they are also changing the nature of industrial labour. Following these trends indicates that jobs will shift away from repetitive tasks towards those requiring higher degrees of digital, social and cognitive skills. Low digital skill jobs are predicted to significantly decline over the next decade with digitally skilled jobs projected to rise sharply and eventually make up the majority of the total workforce.⁴

Population

Despite fluctuations in interstate and overseas migration, the Tasmanian population continues to grow. A strong economy and social cohesion are key to attracting and retaining Tasmanians, while also supporting business development and community wellbeing.

⁴ Modeling the global economic impact of AI | McKinsey



PHOTO Woolnorth. CREDIT Sean Scott.

Trade activity and exports

Tasmania's overseas exports overall continue to reach new milestones. The Tasmanian brand, promotion of Tasmanian products and services to key export markets, and support for industry to adapt to evolving market trends all play a significant role in this ongoing success.

Climate change and energy transition

Climate change is a critical issue that presents both challenges and opportunities for Tasmania. Globally, it is predicted that extreme climate events such as flooding, wildfires and drought will increase in frequency. These could have wide ranging impacts from a decrease in tourism, disrupted transportation networks, and challenges related to agriculture production and food security.⁵ As the world transitions to net zero emissions, Tasmania is ideally placed to provide renewable energy and low-

carbon technologies to help reach net zero and carbon neutrality. Tasmania has a natural competitive advantage with proven hydro and world class wind energy, and the government continues to invest in emerging renewable energy opportunities.⁶ Tasmanian businesses are already benefitting and will continue to do so, as Tasmania's renewable energy sources provide electricity users with market advantages in a world increasingly focused on sustainability.⁷

⁵ <https://www.brookings.edu/research/ten-facts-about-the-economics-of-climate-change-and-climate-policy/>

⁶ Climate change | Renewables, Climate and Future Industries Tasmania (<https://recfit.tas.gov.au/climate>)

⁷ Tasmania – Gateway of opportunities (cg.tas.gov.au)

Themes

The ideas, discussions and feedback gathered during the consultations have been grouped under four key themes. These themes provide an indication of what's important to Tasmanian businesses, where challenges and opportunities lie, and areas to focus on to enable growth in whatever form it may take for our businesses.



PHOTO Eatwell Tasmania, Government House.
CREDIT Samuel Shelley.



People and connections

- 1 Networking and collaboration
- 2 Local purchasing
- 3 Staff, skills and training
- 4 Population
- 5 Housing and public transport



PHOTO Wineglass Bay, Freycinet National Park.
CREDIT Luke Tscharke.



Place

- 1 Tasmanian brand
- 2 Location, size and lifestyle
- 3 Environment, climate and renewable energy



PHOTO Tasman Sea Salt, Little Swanport, East Coast Tasmania.
CREDIT Moon Cheese Studio.



Enabling business

- 1 Business advice and support
- 2 New businesses
- 3 Operating environment
- 4 Scaling up
- 5 Red tape reduction



PHOTO Jobs in information technology.



Technology

- 1 Digital connectivity
- 2 Global markets
- 3 Digital capability

People and connections

This theme encompasses the people who run our businesses, those who work in them and buy from them, and the importance and reliance of connections between these people, businesses and government.

Networking and collaboration

The connections between people, businesses, industries and suppliers are crucial to business success and growth. There is a role for government and industry representative bodies to support and encourage these connections, whether that is through facilitating introductions, or creating spaces and events where connections can naturally occur. Stronger networks will support collaboration, uncover new opportunities and foster resilience against future disruptions.

Local purchasing

Local businesses and suppliers can be prioritised when local councils and the Tasmanian Government implement purchasing and contracting arrangements. This allows local businesses to deliver goods and services that capitalise on and strengthen collaborations and networks here in the state, leading to improved local manufacturing and supplier diversity. Businesses can also prioritise local purchasing and seek opportunities to buy from other Tasmanian businesses where possible, further strengthening supply chains, networks and business resilience.

Staff, skills and training

Skills shortages restrict the growth of Tasmanian businesses, many of whom have significantly more demand for their products and services than they can fill. An ongoing focus for businesses in Tasmania, like most places, is getting the right people with the right skills, when they are needed. To meet the labour challenges businesses face, Tasmanian businesses have an opportunity to position themselves as Employers of Choice in a competitive labour market to ensure they are able to attract and retain a skilled workforce.

Population

Population growth and bringing a diverse range of skilled people to Tasmania is key to the success of our businesses. While the Tasmanian lifestyle and climate are appealing factors that can support population growth, getting our population growth settings right is essential to address workforce needs and to counter an ageing population. As the population grows, so too do local markets and the customer base, opening up new opportunities for businesses and investment.

Housing and public transport

Vital elements for population growth and attracting skilled staff, particularly in regional areas, include the availability of appropriate housing and transport to accommodate and service the people who want to live and work in those areas. Businesses, industry and government recognise the importance of these issues, particularly housing for workers.



PHOTO Carleeta Thomas, wukalina Walk. CREDIT Alastair Bett.

For the People and connections theme, the activities to be delivered under the strategy's implementation plans will focus on achieving the following objectives:

- 1** Facilitating, creating, strengthening, and participating in forums that enable networking and collaboration both within and across industries.
- 2** Building on existing purchasing and procurement policies that support local suppliers, including options that increase flexibility and collaboration opportunities.
- 3** Strengthening, prioritising and delivering needs-based programs that address staff, skills and training gaps and shortages.
- 4** Fostering targeted population growth and maximising the opportunity and availability of key population cohorts, including older people and applicable visa holders, to participate in the Tasmanian workforce.
- 5** Embracing and trialling innovative and coordinated solutions to the supply of housing for workers to ease pressure on small businesses and the communities that they operate within.

Place



PHOTO Matt Morris & Lefke Van Gogh Wooden Boat Builders, Huon Valley. CREDIT Dearn Bond.

Tasmania has enormous appeal as a place to live, work and do business. Tasmania's drawcards are many, bringing tourists, entrepreneurs and new residents attracted by the lifestyle opportunities, natural environment and interconnected communities.

Tasmanian brand

The Tasmanian brand is recognised throughout the world and is a strong asset for Tasmanian businesses. Part of that brand is associated with niche and high-quality produce, products and experiences, and a close connection to the natural environment. Many Tasmanian businesses are small by choice, as business owners focus on the quality of what they produce, the ability to enjoy the lifestyle opportunities on offer, and participate in their community – in other words, a focus on the quiet pursuit of the extraordinary.

Location, size and lifestyle

Our communities may be smaller than those in other states, but our small size and geographical position has also generated a culture of resourcefulness and resilience, demonstrated by Tasmania's strong business survival rate. This resourcefulness and resilience enables us to confront the significant and ongoing challenges such as longer distances to key markets and higher transport and distribution costs, maintaining our competitiveness through quality, not quantity.



PHOTO Mai Thao Yang at the Launceston Harvest Market.

Environment, climate and renewable energy

Tasmania's location also provides us with clean air, and water, and a cool climate, which creates the perfect environment for our high-quality produce and experiences. These attributes form a key part of the Tasmanian brand, which is beneficial to both new and existing businesses. Our business community recognises this and places a high importance on environmental responsibility and sustainability. Tasmania's environmental credentials, 100% renewable energy and net zero emissions place it at the forefront of the world's transition to clean energy and emissions reductions. As Tasmania leads the way in the renewable energy space with a target of 200% renewable energy by 2040, and a nation-leading target of net zero emissions from 2030, these opportunities and benefits will only continue to increase.

For the Place theme, the activities to be delivered under the strategy's implementation plans will focus on achieving the following objectives:

- 1 Encouraging and helping businesses to align themselves to the Tasmanian brand to further enhance its strength and maximise leveraging opportunities.
- 2 Playing to our strengths, continuing to increase business resilience, and improving processes to address challenges relating to our location and size, while celebrating and maximising the opportunities that the Tasmanian way of life presents, including Tasmania's vibrant arts and cultural activities.
- 3 Continuing to be a leader in the global shift towards more sustainable practices and renewable energy by enabling, encouraging, and supporting businesses to participate in and leverage Tasmania's innovative solutions and approach.

Enabling business

Tasmania's geography, attributes and community provide a key point of difference for our products, services and experiences, but it also requires a different approach to supporting our businesses. Our businesses want flexible, innovative, and efficient policies, processes and approaches to assist them to reach their full potential and to grow in their own way.

Operating environment

The operating environment for many Tasmanian businesses is impacted by challenges experienced elsewhere. These include rising energy, transport and fuel costs, increasing cost of materials and supply chain disruptions, all compounded by labour and skills shortages. Lack of certainty is one of the biggest challenges many businesses face and this is a key constraint in enabling businesses to grow and thrive.

Business advice and support

Many business owners seek ongoing support with business skills and knowledge, including in areas such as marketing, risk management, and financial and strategic planning. These skills boost resilience and the ability to adapt in a dynamic and changing environment and complement our strong entrepreneurial nature. Access to reliable, trusted, and specialised guidance, knowing where and how to get help, and finding the right information at the right time enables businesses to get on with doing what they do best and maximises use of their time and resources.

Scaling up

Businesses wanting to scale-up are also managing a range of challenges that constrain their ability to grow. Various factors can inhibit the ability to expand operations and meet increasing demand, including access to finance, understanding how to enter export markets, putting in place the required human resource and industrial relations planning, roles and structures, and access to current and relevant research.

New businesses

Creating and supporting an environment to facilitate innovation is crucial to Tasmania's attractiveness to business intenders and start-ups. Tasmanian businesses are unique and distinctive, they are niche, and they consistently punch above their weight at both a national and global level. Harnessing innovation is the Tasmanian way, and all levels of government, the business community and representative organisations work together to ensure entrepreneurial spirit is nurtured and supported so that our business offering contributes to our brand, reputation, and appeal.

Red tape reduction

Unsurprisingly, red tape and bureaucracy is a key issue for businesses. The complexity of regulations, the number of different systems in place and stakeholders involved in various processes, and delays in responses from various levels of government are all barriers to efficient business operations. A commitment to customer service and timely and accurate responses relating to business submissions and enquiries are vital to supporting Tasmanian businesses.



PHOTO Terrapin Puppet Theatre's characters from King Ubu with maker Bryony Anderson. CREDIT Alastair Bett.

For the Enabling business theme, the activities to be delivered under the strategy's implementation plans will focus on achieving the following objectives:

- 1** Modernising, revitalising and upgrading the business advice and support services that are available to new and existing Tasmanian businesses to ensure that they are accessible, fit for purpose and relevant to current and emerging business needs.
- 2** Collaborating to ensure the Tasmanian entrepreneurial spirit is nurtured and new businesses that contribute to our brand, reputation, and appeal are supported.
- 3** Working with various levels of government and key stakeholders to provide businesses with as much certainty as possible to meet the ongoing challenges that exist with the current and future operating environment.
- 4** Supporting businesses to meet increasing demand by working with the business community and representative organisations to address the barriers to scaling-up operations.
- 5** Taking a holistic approach to red tape reduction, and continuing to streamline government processes to reduce and minimise bureaucracy and unnecessary barriers to business growth.

Technology



PHOTO Bradley Munnings, Gutter Labs. CREDIT OI Studios.

Technology is a vital and increasingly significant part of the modern business environment. This is especially true in Tasmania, where it can address challenges, increase productivity, open up new markets, and help businesses to be efficient and accessible.

Digital connectivity

The foundation of any business effort in the digital space is a reliable internet connection and this is especially important for regional businesses who can experience frustrating and avoidable setbacks if relying on unstable or inadequate networks. Reliable internet connections also enable professionals to move to, and work remotely from, regional areas while enjoying the lifestyle benefits that are on offer. Investment in, and maintenance of, reliable digital infrastructure networks can provide the foundation for economic growth, business development, and continuity.

Global markets

Information and communications technology can overcome the challenges of distance to provide access to our products, services and knowledge, making Tasmania only a click away from the customers and markets of the world. Making the products and services offered by Tasmanian businesses visible and available to the world online is a key opportunity for growth, building brand awareness, and increasing the profile of the Tasmanian offering.



PHOTO Based in Hobart, Procreate develop industry-leading creative software.

Digital capability

There are many Tasmanian businesses operating in the digital space, but some businesses lack the necessary skills to use and optimise technology in their operations. The provision of technology support for businesses to successfully move into the digital space is a growth enabler. Improving digital capability can support businesses to do things faster, more efficiently, increase resilience, and comply with legal requirements. This can be applied to digital marketing, business administration processes and compliance activities, including planning and reporting requirements across many business sectors.

For the Technology theme, the activities to be delivered under the strategy's implementation plans will focus on achieving the following objectives:

- 1 Continuing to improve and upgrade Tasmania's digital networks and infrastructure through significant investment to increase capacity, resilience and capability.
- 2 Providing relevant and accessible training, knowledge and support to businesses and representative organisations to utilise digital platforms to access new markets and increase market share.
- 3 Continuing to provide relevant, up to date and accessible support and tools to improve digital literacy and build an understanding of how technology can be maximised to support business growth in Tasmania.

Putting this strategy into action

The Tasmanian Government will work with our partner organisations, the Tasmanian Chamber of Commerce and Industry and the Tasmanian Small Business Council, and other members of Tasmania's business community, to establish a series of flexible and responsive implementation plans, each with a duration of 12–18 months. These will allow us to remain agile and to respond to changes in the operating environment, while also giving businesses clarity on what they can expect from the Tasmanian Government and the business community.

The implementation plans will incorporate activities already underway from the Department of State Growth, other agencies, and the business community, while also identifying new activities to be delivered in line with the objectives outlined within this strategy. The implementation plans will outline all activities that government, industry and businesses will do to facilitate all types of business growth, and will include metrics to enable progress to be assessed against targets.

Agreement

The Tasmanian Government, the Tasmanian Chamber of Commerce and Industry and the Tasmanian Small Business Council have worked in partnership to develop this strategy and agree to work together towards the strategy's objectives and to support business sustainability and growth in Tasmania.



Madeleine Ogilvie
Minister for Small Business



Geoff Fader
Chair, Tasmanian Small
Business Council



Paul Ranson
Chair, Tasmanian Chamber
of Commerce and Industry



The Tasmanian Government is already taking action in many of the areas outlined in this strategy. Information on the government's approach in these areas can be found in the following documents:

1. Tasmanian Trade Strategy 2019-2025
2. Tasmanian Renewable Energy Action Plan 2020
3. Advanced Manufacturing Action Plan 2024
4. Tasmanian Defence Industry Strategy 2023
5. Cultural and Creative Industries Recovery Strategy: 2020 and Beyond
6. Jobs Tasmania's Strategic Plan 2021-2024
7. 30-Year Greater Hobart Plan
8. Greater Launceston Plan

Further coordinated strategies are also being developed in the following areas:

1. T30 Recovery Plan for Tasmania's Visitor Economy
2. Sustainable Development Strategy
3. Tourism and Hospitality Workforce Action Plan
4. Population Strategy
5. Tasmanian Antarctic Gateway Strategy
6. Tasmanian Housing Strategy

Continuing the conversation

As the implementation plans that follow on from this strategy are developed, the Tasmanian Government and project partners will continue the conversation with Tasmanian businesses. If you have any enquiries or feedback relating to this strategy or the implementation plans, please contact Business Tasmania at ask@business.tas.gov.au or phone 1800 440 026.

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