

21 November 2019

Mr Allan Garcia
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Via email: consultation@stategrowth.tas.gov.au

Dear Allan

**Our Infrastructure Future – 30-Year Infrastructure Strategy
Consultation Draft**

Congratulations on the development of the Consultation Draft of the *Our Infrastructure Future – 30-Year Infrastructure Strategy* (the Strategy). The Tasmanian Government should be commended on undertaking this far-sighted initiative to outlay a vision for how our infrastructure investment should be directed to best do its part in supporting the aims and aspirations of the Government and Tasmanians in general. Embarking on a strategy of this type with such a long planning horizon at a point in time where already rapid changes are only accelerating is an ambitious task, but without question, one worth undertaking.

However, it is the Local Government sector's view that the Strategy contains serious issues and omissions that will impact its ability to function effectively as a strategic document, as well as its core task of informing effective infrastructure decisions. Chief among these is an almost wholesale overlooking of the importance and value of Local Government infrastructure development and management and how this fundamental role interfaces with the Tasmanian Government. Collectively, Local Government is the single major partner of the State Government in infrastructure management and service delivery and overlooking this connection impacts almost all of the Strategy's eight objectives and how successfully they can be achieved.

The effective absence of connection to Local Government is a substantial oversight, but it can be addressed through genuine connection and engagement with Tasmania's 29 councils.

About us and Tasmanian Local Government

The Local Government Association of Tasmania (LGAT) is the representative body of Local Government in Tasmania. Established in 1911, LGAT is incorporated under the *Local Government Act 1993* with membership comprising all 29 Tasmanian councils. The core purpose of the Association is to:

- Protect and represent the interest and rights of Councils in Tasmania;
- Promote an efficient and effective system of Local Government in Tasmania; and
- Provide services to Members, Councillors and employees of Councils.

In turn, our members' functions are to:

- Provide for the health, safety and welfare of the community;
- Represent and promote the interests of the community; and
- Provide for the peace, order and good government of the municipal area.

LGAT executes its role to support Tasmanian councils' functions within our communities.

Analysis and Context

The Strategy does a good job of identifying significant trends ("Mega trends") and setting some context for the state ("Tasmania today"). However, more could be done to set Tasmania in context nationally and globally, particularly in terms of its economic role and competitiveness. For example, what is Tasmania's predominant role(s) economically to the rest of Australia? What about the rest of the world, in the face of slowing rise of China, still rising India, the plateauing, even decline, of Europe or Japan? How are these changes anticipated to affect Tasmania's existing economic role and areas of comparative advantage (agriculture, tourism, energy, etc.)? Are we making the right infrastructure decisions, particularly in support of industry, to anticipate these changes?

Similarly, some of the megatrends are only broadly discussed and not sufficiently analysed for their anticipated effect on Tasmania, as a whole or regionally. This leaves little resolution on the effect of the identified megatrends on Tasmania's infrastructure and how our infrastructure decisions should respond to them.

The recently published CSIRO Australian National Outlook 2019¹ provides a national example of the type of analysis that would enhance this strategy and a sound basis for a similar examination of Tasmania.

¹ See: <https://www.csiro.au/en/Showcase/ANO>

Some analysis of the projected future infrastructure support capability of Tasmania must be included to inform responsible decision making. This should include how population growth and projected per capita productivity will change our ability to finance and support the ongoing maintenance of existing and new infrastructure. Some broad discussion should also be included on what per capita productivity improvements are sought by our infrastructure decisions and the Strategy in general.

Geography and Settlement Pattern

Geographical analysis is a shortcoming of the Strategy. Because the megatrends have not been analysed in any geographical detail, it is difficult to be clear on what type of infrastructure treatments should go where, or conversely, what regional issues are best addressed by which infrastructure solution.

Related to this is the lack of a settlement strategy for Tasmania, which really should form the basis for this infrastructure strategy. Although the Strategy seeks to link to and support the Tasmanian Government's population growth goal (of 650,000 by 2050), there are no clear statements on where in the state this additional population will be supported. This is a missed opportunity to direct some much needed growth regionally where existing infrastructure often has spare capacity and to take some of the burden off our struggling urban infrastructure, particularly in Greater Hobart.

We recommend that a settlement strategy for the state be developed to inform our long term infrastructure decisions. While Action Area 2.8 acknowledges the need for settlement strategies that consider infrastructure constraints we believe establishing the parameters of settlement in Tasmania requires a whole of government perspective rather than relying on regional land use strategies, particularly given the uncertain timeframes for their review.

Local Government Infrastructure Role and Interface with the State

As mentioned, our greatest concern with this strategy is how Local Government, as one of the biggest infrastructure players in Tasmania and making daily infrastructure decisions in every local area of the state, has been almost entirely ignored. Local Government manages roads, buildings, stormwater control assets, parks, sporting facilities, community centres, flood protection structures, beach protection structures, waste management facilities, and more, critical to the lifestyle and standard of living of Tasmanians. Councils share the objectives of this strategy and Local Government assets and operations are critical to achieving them.

The oversight of Local Government is made bare on page 31 which mistakenly claims that the Tasmanian road network is only 3,700 km. This is just 20% of the actual Tasmanian road network of 18,100 km and completely misses the 14,400 km of roads managed by our 29 Councils.

This error does not convey a proper understanding of the nature and roles of each road network in working together seamlessly to serve Tasmania's economy. These networks are not the same and infrastructure decisions must understand this or they risk adverse impacts to the function of the overall network. For example, State roads are 100% sealed roads, arterial in nature and generally built to a higher standard to provide high speed, high volume throughput. Local roads tend to be the opposite, with only 52% sealed, capillary in nature and generally constructed to a lower standard that is more vulnerable to road impacts. While the State road network provides the higher speed travel, it services around 5% of properties and it is the local road network that delivers access to at least 95% of properties and actually connects productive land uses to the State's transport network.

This oversight is significant and causes the Strategy to lose regional and local resolution and diminishes its relevance.

Local Government also interfaces with private development and the infrastructure that developers construct for Tasmania in the course of their business, particularly in delivering housing and other urban infrastructure. Local Government also enforces the majority of the standards for development of communities across Tasmania.

Infrastructure provision and stewardship is a collaborative effort between State and Local Government, private developers and the community, done for the betterment of Tasmania. This strategy could do more to recognise the collaboration required to deliver infrastructure efficiently and effectively.

The Strategy does recognise the Local Government delivery of sports and recreational infrastructure for communities, as well as its substantial investment in stormwater infrastructure and its potential as a source of water in an altered climate future.

We recommend that the Strategy more effectively map out and recognise other infrastructure providers, especially Local Government, but also the Government Business Enterprises and the role of private development. From this, the Strategy can more effectively engage and interface with these participants of the infrastructure sector.

Infrastructure Funding should Incorporate Development Infrastructure Contributions

Broadly touching on models of funding and financing infrastructure provision is an important addition to the Strategy. However, a notable omission is the role of development infrastructure contributions which could be levied through the development planning system (also referred to as headworks charges). These are a fundamental financial tool to ensure that new development and land use intensification pay for, or at least contribute significantly to, the impacts of their intensification on existing infrastructure networks. This mechanism can ensure that infrastructure development and financing keeps pace with the rate of private development and also to prevent the hidden subsidisation of private development by ratepayers.

As a cornerstone of ongoing Local Government infrastructure management and operational sustainability, the role of rates in maintaining existing infrastructure and levels of service should be properly understood and expressed in this strategy .

Value Enabling, not Value Capture

Showcasing value capture to assist in infrastructure financing is very welcomed. We look forward to initiatives that move it from blue sky discussions to activation of on-ground projects in Tasmania.

However, the section on value ‘capture’ is articulated incorrectly and known to cause public acceptance issues. Expressing it as ‘capture’ characterises the funding as extractive taxation and perpetuates the expectation that land owners are entitled to be provided valuable transport infrastructure upgrades and enjoy the value uplift, free from any obligation to contribute to enable it. This generates resistance and antagonism from those needed to collaborate with to enable the infrastructure project in the first place.

Rather, the concept should be expressed as value enabling, to indicate how land value contributions can help enable the infrastructure projects that enable land value uplift. Other terms used are ‘value sharing’ or ‘value creation’, to focus more on the value created, rather than its extraction. ‘Extracting’ payment should be reframed to project enabling.

Sound Principles of Asset Management

The strategy touches lightly on principles of good asset management without clearly expressing them. While this is good, to foster responsible infrastructure decisions, these should be stated explicitly. For example, the Strategy should clearly express how new projects add to the maintenance and renewal burden of a community and how overinvestment in new infrastructure hinders a community’s ability to maintain existing infrastructure and the services they provide. This tension between responsible

allocation of resources toward asset renewal and carelessly commissioning new projects that add more to the asset renewal backlog and overburden a community's capacity to maintain should be explained so that all stakeholders of the Strategy can clearly recognise good infrastructure management decisions.

As a result of this, the Strategy is heavily focused on generating new infrastructure without sufficiently grounding these in Tasmania's capacity to support and sustain the management burden of new projects.

Explaining key asset management principles in this strategy should be done as simply and clearly as possible without jargon or technical terms to improve public understanding and community dialogue on our infrastructure decisions.

Contingency Funding and Tasmania's Changing Climate

Some of Tasmania's communities will become increasingly under threat from the impacts of climate change. This includes coastal inundation in our coastal communities, bushfire for our many settlements adjacent to vegetation, and flooding for development near watercourses.

The Strategy should anticipate, or at least foreshadow, the need to begin thinking about the sustainability of continuing to support settlement and development in hazardous areas and continue the conversation of making early defend or retreat decisions when planning our infrastructure for an area. We may be creating infrastructure now with lifespans that coincide with changing climatic impacts that make the investment and the services it supports unviable.

The Strategy should also give consideration to contingencies and contingency funding, particularly for climate related impacts.

Opportunities and Specific Items

In addition to the points above our members made a number of specific comments on the 30-Year Infrastructure Strategy:

- Direction 1.4 should not be limited to TasTAFE but include all State education provision.
- Direction 1.12-14 on Enhanced Corridors ignores the remote areas of Tasmania connected by roads. In particular, there should be a Direction identifying a West Coast freight and transport corridor, including Henty Road, Anthony Road and the Murchison Highway, given the significant high value export that move from West Coast locations to the Port of Burnie.

- Direction 1.19 on emergency air access should also recognise remote communities on mainland Tasmania, especially on the West Coast.
- Direction 2.1 should not be limited to merely support for regional hospitals, but should seek to transform regional health facilities and include tele-health enabled facilities that can deliver the broadest feasible range of health services and extend the reach of quality health care throughout all of Tasmania's regions.
- Directions 3.9-11 on accessible wilderness and elsewhere should include continued investment in key tourism routes and activities, particularly minimum impact Great Walks, multi-day treks and other hiking opportunities.
- For smaller councils and remote areas there is a significant need for specialist skills to address shortages in key areas, including mining, agriculture and renewable energy, with a critical demand for trained planning and asset management personnel.

Additionally, we note that the Strategy leaps very quickly from broad visionary discussion and analysis to identifying specific projects and actions. This is despite the intention stated at the outset of not listing specific projects or actions. More importantly, this skips some critical steps in scoping a range of solutions before deciding on a course of action. We recommend that these specific directions be devolved to a subordinate document, such a supporting action plan.

Strategy Life and Review Cycle

The Strategy does not nominate a regular review cycle. With the relentlessly accelerating rate of change over the 20th and early 21st centuries expected to continue, and the new threat of climatic variability, many of the megatrends examined by the strategy may unfold faster or slower or in a different manner to that anticipated. A regular review cycle of every five years is recommended.

Conclusion

We thank you for the opportunity to comment on the Consultation Draft of *Our Infrastructure Future – 30-Year Infrastructure Strategy*. Despite its broad and high level nature, the project is a valuable initiative as it will help to ensure infrastructure decisions are guided strategically and reduce the potential for ad hoc, inefficient or poor-return decisions.

We have highlighted a number of gaps in the Strategy, but most importantly the lack of recognition and interface with the local arm of government. We hope to see this remedied in future iterations to the benefit of local communities and Tasmania as a whole.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Katrena Stephenson', written in a cursive style.

Dr Katrena Stephenson
CHIEF EXECUTIVE OFFICER