

State Budget Priority Statement 2022-23

The Local Government Association of Tasmania (LGAT) is the peak body for local government. For over 100 years we have represented Tasmanian councils and advocated on their behalf, and we count all of the state's councils as members. In representing their communities, councils have 262 elected representatives and undertake their functions and services with close to 4,000 employees.

The Tasmanian economy has been resilient to the COVID-19 challenges due to the economic stimulus at a local, state and national level, with Tasmania avoiding COVID-19 lockdowns seen in other states. Analysis released in December 2021 by SGS Economics & Planning put Tasmania's growth at 3.8 per cent for the year, faster than the rest of the country. Tasmania is still seeing strong building activity, even after the Federal and State housing pandemic stimulus has concluded. Local government has played a significant role in supporting this and shaping places that people are proud of, improve their health and wellbeing and underpin Tasmania's economic activity.

The Tasmanian brand, particularly in the time of COVID-19, is strong and more people will want to come to the state to enjoy what it has to offer. Local government is central to ensuring that our quality of life is maintained and are essential partners of the Tasmanian Government to ensure that our communities are desirable with appealing built and natural environments that are supported by hard and soft infrastructure.

READY FOR GROWTH

To make sure that Tasmania can achieve these outcomes for liveable and prosperous communities, we seek the following targeted investments as partnerships with local government.

EFFICIENT AND SAFE LOCAL ROADS

The efficient functioning of Tasmania's economy, and the safety of its users, rests on how well our roads work together as a system. This means a State road network that delivers high speed and high capacity arterial roads connecting with the local road network in delivering the critical door-to-door, first and last mile access that completes productive trips. State roads make up around 20 per cent (3,700 km) of the network, with local roads making up the remainder (some 14,400 km).

For a healthy and functional road network, these must work together to connect the productive land uses to the rest of the economy. Local roads are critical in providing direct road access for >95% of properties.

The local road network excels in connecting people and economic activity to the wider road network and delivering them to their destinations. However, it is typically slower, lower capacity roads built to a more economical standard (only 52 per cent of local roads are sealed), that is more vulnerable to heavy vehicle impacts. Local government is largely left to fund this from its rate base, or from grants that are usually for new or upgraded roads, rather than maintenance. For the last 23 years the entire local government

sector has had to share a total \$1.5 million a year for this purpose. This is insufficient to maintain safe levels of access, and inadequate given the primary funding pool for this purpose, the heavy vehicle motor tax, was \$93.7 million in 2020-21.

Budget request: We seek a fairer share of the State Government heavy vehicle motor tax proportionate with heavy vehicle road usage, based on the Tasmanian Freight of around eight per cent.

CONSISTENT DEVELOPMENT STANDARDS

In supporting development, councils engage with development proponents on the standards and specifications of the assets and infrastructure that will underpin their development. The back and forth with proponents on their documentation to demonstrate the compliance with these requirements adds time, cost and frustration for industry and councils.

There is an opportunity to streamline this process through a suite of guidance materials, the Tasmanian Development Manual; which would provide clarity and support developers to make sure that their compliance documentation is adequate and correct the first time. The Tasmanian Development Manual would also support the objective of the Tasmanian Planning System to provide a consistent approach for development by extending into local government's condition compliance.

The proposed Manual would bring together existing resources, such as the Tasmanian Municipal Standards and Subdivision Guidelines, and build out other areas as needed. A key feature of the manual would be standard condition compliance documentation and checklists to provide

clarity to developers on their requirements and to help them to provide the right information the first time.

Budget request: \$250,000 to develop the Manual, engage key stakeholders and promote to the development industry.

TIMELY AND EFFECTIVE INFRASTRUCTURE

Well managed growth is good for Tasmania. Growth also brings pressures and challenges that must be planned for and addressed. Most of this pressure is felt on infrastructure, itself a critical enabler of growth. This means good infrastructure planning and timely delivery with necessary funding. The Tasmanian local government sector, like other states and utilities, is looking to the role that developer contributions, or infrastructure charges can play in supporting the effective financing of infrastructure delivery.

Infrastructure charges are there to make sure that the funds are available to build the infrastructure – stormwater, roads, community facilities – that new communities need. Infrastructure contributions help to avoid issues including delayed development, unfair cost distribution, substandard infrastructure solutions, ratepayer subsidisation, and impacts to infrastructure.

A successful contributions framework needs to be consistent in its calculation, but also flexible to local needs and rates of growth. Our research work has identified the key factors from other jurisdictions that make for a contributions system that supports growth and fairly allocates costs – simple and consistent, certain and predictable, equitable, transparent and accountable. We will continue to engage councils through 2022 on

the functions of a contributions system and to test the applicability in their local areas. The next step will be to develop a draft framework in collaboration with key stakeholders, such as the development industry, to ensure certainty on costs and infrastructure deliver.

Budget request: \$150,000 to develop a framework and calculation methodology, informed by stakeholder engagement.

STORMWATER AND WATER QUALITY

Councils' stormwater infrastructure operates continually to protect people and property across Tasmania from the impact of storm events by directing water to safer pathways.

Stormwater systems also filter and clean flows to maintain water quality and contribute to maintaining Tasmania's environment and our clean and green image. Councils are working to do their part in contributing the objectives of the State Policy on Water Quality Management and the State Stormwater Strategy. To date, councils had been using tools under their planning schemes, however the Tasmanian Planning Scheme (TPS) does not include a stormwater code, or equivalent to manage quality or quantity. Recognising this gap we have collaborated with the Derwent Estuary Program (DEP), NRM North and several leading councils to develop the Tasmanian Policy for Stormwater in New Developments.

The template policy, and supporting guidance, provides a way for councils to condition new developments to make sure that their impact on waterways and the stormwater system is minimised. We are working with the DEP to engage councils to consistently implement the

template policy, however this is very limited given the resources of both our organisations. A small investment could activate this important contribution to better water quality right across the Tasmania.

Budget request: \$50,000 to engage a project officer to engage councils, and other stakeholders, to embed stormwater improvements into new developments.

CIRCULAR ECONOMY

With a growing population and economy comes an increase in waste generation and with that risks to our environment and quality of life. Local government has been calling for action on waste for several years. Consequently, we welcomed the pending introduction of a statewide waste levy and container refund scheme for Tasmania. However, on their own these initiatives fail to deliver the clarity and leadership required in adopting a circular economy.

In Tasmania, there has been limited discussion on what a circular economy is, and if a move to a circular economy is an approach that would benefit the State. However, the circular economy is becoming a mainstream focus for industry development policies in many jurisdictions.

Research and analysis from Australia and overseas have shown that transitioning to a circular economy can create jobs and contribute to economic growth¹. Modelling

¹ McCarthy, Dellink, and Bibas, *The Macroeconomics of the Circular Economy Transition: A Critical Review of*

Modelling Approaches. OECD Environment Working Papers, 2018(130).

undertaken in NSW² and South Australia³ indicates that material efficiency gains could deliver significant long-term job growth compared to a 'business as usual' scenario. Recognising and responding to this shift is important for Tasmania's national and international competitiveness.

The Government needs to clearly identify its position and commitment regarding the circular economy and outline its roadmap for transitioning to this different economic system. The roadmap should consider how the economy is currently structured and what policy tools could be used to address priority issues.

Local government believes the circular economy could bring significant benefits to not only the waste management industry in Tasmania, but also the economy more broadly, but we need a roadmap to drive it.

Budget request: That the State Government work with local government and industry in developing a Circular Economy Plan for Tasmania.

CONCLUSION

Local Government is the key partner with the State Government on building prosperity and enabling liveable communities at the local level. We have outlined opportunities to achieve these outcomes and look forward to progressing the local government's 2022-23 State Budget priorities with the Tasmanian Government.

² NSW EPA, *Too good to waste - Discussion paper on a circular economy approach for NSW 2018*, NSW Government Sydney.

³ Green Industries SA, *Benefits of a circular economy in South Australia 2017*, Government of South Australia Adelaide.