

# SUBMISSION COVERSHEET

***Submissions may address any key issues related to the Infrastructure Australia agenda and/or in specific response to the topics raised in the discussion papers.***

Please complete and submit this form with your submission. Where possible, *Infrastructure Australia* requests submissions are submitted electronically. Contact us:

<b>Via email</b> Write 'Submission' in subject field of the email and send to:  <a href="mailto:mail@infrastructureaustralia.gov.au">mail@infrastructureaustralia.gov.au</a>	<b>Via post</b> Address your submission to: The Infrastructure Coordinator Infrastructure Australia GPO Box 594 Canberra ACT 2601 AUSTRALIA
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Submission title: Northern Tasmania Development

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No. of pages: 7

Date: 15 October 2008

Please indicate if your submission:

contains NO confidential material

contains **confidential** material and the whole submission is provided "IN CONFIDENCE"

contains **confidential** material, the whole submission is provided "IN CONFIDENCE", and I also want my name, affiliation, and contact details withheld from the public domain.

Please indicate which of the following your submission covers:

Issues Paper 1 — Australia's Future Infrastructure Requirements

AND/OR

General (Includes information on the following areas)

Water Infrastructure

Telecommunications Infrastructure

Transport Infrastructure

Energy Infrastructure

Climate Change

Infrastructure Investment

Public Private Partnerships

International issues

Infrastructure Audit

Infrastructure Policy

Infrastructure Law

Infrastructure Planning

Other, please state:

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- We encourage **evidence-based** submissions. We will not accept any submissions that contain defamatory statements, that is, any statements which have the effect of causing damage to a person's reputation. If you make any defamatory statements in your submission then a legal proceeding for defamation may be used against you.
- Authors of submissions are responsible for securing the appropriate right to use any third party material incorporated into their submissions.
- Submissions made by individual community members should not include any personal details other than your name, suburb, state/territory or country. For submissions made by organisations contact details may be included.

**Please tick to indicate that you have read and agree to the above.**



15<sup>th</sup> October 2008

The Infrastructure Coordinator  
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Dear Sir / Madam,

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### Infrastructure Australia Call for Public Submissions

Northern Tasmania Development, a Company Limited by Guarantee and Shares, is owned by the eight Northern Tasmania Councils.

The role of Northern Tasmania Development is to facilitate and co-ordinate the economic and social development of Northern Tasmania.

Northern Tasmania Development's Vision for Northern Tasmania is:

*Northern Tasmania is a progressive, collaborative community providing enjoyable and entertaining visitor experiences, a healthy and prosperous place to live and sound investment opportunities. Northern Tasmania is the right place to visit, live and invest.*

It is for this reason, to contribute to the achievement of the Vision for Northern Tasmania, that Northern Tasmania Development offers this submission following your call for public submissions.

The submission has been developed in consultation with key stakeholders in the region and is in addition to and supports other submissions, presented by individuals councils from northern Tasmania.

It has been the consistent policy of the Board of Directors of Northern Tasmania Development, that investment in infrastructure is critical for the future growth and sustainability of the environmental, economic and social prosperity of the region, building on the guidelines established by the relevant Australian and Tasmanian Government authorities.

The four key areas we focus on in this submission are:

- Water – water and sewerage; and irrigation
- Energy – the rolling out of reticulated gas across the region
- Transport – the upgrade and development of road, rail, ports and airports
- Communication – the development and installation of high speed internet services

The projects have been scoped, which ensures minimal delays in commencing the construction and full implementation of the projects.

Yours sincerely

Robert Wallace  
Chief Executive Officer

### Introduction

The eight Councils in northern Tasmania are participating in the regional water and sewerage corporation being proposed by the State government. It anticipates to be operating by early 2009 to benefit the region. As Northern Tasmania has led the way in relation to sewer and water reform and the Australian Government has committed to supporting water reform initiatives, it is considered essential that substantial funding is provided in this area. The Councils are seeking:

**\$295 million** to fund water and sewerage projects throughout the northern region

### Priority Capital Works Projects

The scoping study already carried out has found that there is at least \$295 million of capital works projects that need to be funded in the region. This is unaffordable for the new regional water corporation and for the individual councils. The approach is:

- To seek \$295 million from Infrastructure Australia or the Australian Government Water Fund

A list of projects from every Council area is attached that identifies priority projects that will improve water quality, the environment and tourism in the region. See Attachment 1 below.

### Capital Funding

The following figures are based on current planned works, calculated in mid 2007.

- Launceston City Council is 50% of the northern region and has planned capital works of \$157M. Some of their system is nearly 200 years old.
- The other Councils have replacement needs of \$80M over the next 10 years on their \$500M of existing assets and at least another \$70M is needed for upgrades and new treatment plants in small towns.

### Summary

- The Northern Regional Councils' analysis of Tasmanian Water Reform has produced a commercial, viable and politically acceptable proposal for Northern Tasmanian communities.
- This proposal could have enormous benefits and applicability to other regional areas of Australia as a model.
- \$295M for Capital Works from the Australian Government will enable the proposal to succeed by being financially sound and meeting National commercial water management principles.
- Unless funding is obtained, any new regional water corporation will not have the financial capacity to meet all of its challenges.

**Cost: \$295M**

**Attachment 1: Tasmanian Northern Region – 1 October 2007  
Water and Sewerage Projects requiring Australian Government Funding**

<b>Council area</b>	<b>Capital Improvement Works</b>	<b>Capital cost</b>	<b>Benefits</b>
<b>Break O'Day</b>	Scamander and Beaumaris treated water scheme	\$9.0M	Improved water quality in major tourist town
	Mathinna treated water scheme	\$1.5M	Improved water quality
	Fingal treated water scheme	\$4.5M	Improved water quality
	Binalong Bay sewerage and reuse scheme	\$9.0M	Environmental improvement
	Stieglitz sewerage transfer scheme	\$4.5M	Stop groundwater pollution
<b>Sub-Total</b>		<b>\$28.5M</b>	
<b>Dorset</b>	Bridport water scheme upgrading	\$18.6M	Improved water quality Increased capacity
	Bridport sewerage scheme upgrading	\$11.5M	Improved standards
	Water treatment plants for 4 towns	\$21.6M	Improved water quality
<b>Sub-Total</b>		<b>\$51.7M</b>	
<b>Flinders</b>	Lady Barron township sewerage and town water treatment	\$7.5M	Environmental and water quality improvements
	<b>Sub-Total</b>		<b>\$7.5M</b>
<b>George Town</b>	George Town water system upgrade	\$10.5M	Improved standards
	Hillwood water supply upgrade	\$3.0M	Increased capacity Service growth
	Bell Bay industrial precinct sewerage scheme	\$7.5M	Improved standards
	Low Head sewerage scheme	\$4.5M	Environmental improvement
	Bell Buoy Beach sewerage scheme	\$1.5M	Environmental improvement
	Upgrade for George Town sewerage treatment plant	\$4.5M	Improved standards Increased capacity
<b>Sub-Total</b>		<b>\$31.5M</b>	
<b>Launceston</b>	Lilydale water supply scheme	\$9.0M	Improved water quality
	Ti-Tree Bend primary sewerage treatment plant	\$10.5M	Improved standards
	West Tamar sewerage upgrade	\$3.0M	Improved standards
	Newnham sewerage treatment plant upgrade	\$9.6M	Improved standards
	Hoblers Bridge sewerage treatment plant upgrade	\$7.2M	Improved standards
	West Launceston trunk sewerage	\$4.5M	Improved standards
	Launceston CBD combined sewerage overflow reduction program	\$18.0M	Environmental and social improvement
<b>Sub-Total</b>		<b>\$61.8M</b>	

Council area	Capital Improvement Works	Capital cost	Benefits
<b>Meander Valley</b>	Westbury/Hadley treated water scheme	\$12.0M	Improved water quality
	Bracknell sewerage scheme	\$7.5M	Environmental improvement
	Deloraine sewerage treatment plant upgrade	\$2.7M	Improved standards Increased capacity
	Carrick/Hadspen sewerage treatment plant upgrade	\$2.7M	Improved standards Increased capacity
	Westbury STP reuse scheme upgrade	\$1.5M	Environmental improvement
	Prospect Vale sewerage treatment plant conversion and connection to Launceston sewerage scheme	\$10.5M	Environmental improvement Increased capacity
<b>Sub-Total</b>		<b>\$36.9M</b>	
<b>Northern Midlands</b>	Campbell Town treated water scheme	\$9.0M	Improved water quality in tourist town
	Cressy treated water scheme	\$3.0M	Improved water quality in tourist town
	Ross treated water scheme	\$9.0M	Improved water quality In major tourist town
	Avoca sewerage scheme	\$4.5M	Environmental improvement
	Longford reuse scheme	\$6.0M	Improved standards
<b>Sub-Total</b>		<b>\$31.5M</b>	
<b>West Tamar</b>	Gravelly Beach/Swan Point sewerage scheme	\$27.6M	Environmental improvement
	Beaconsfield sewerage scheme	\$18.0M	Environmental improvement
<b>Sub-Total</b>		<b>\$45.6M</b>	
<b>Total Priority Projects</b>		<b>\$295M</b>	

## **Water – Irrigation**

Agribusiness is a key industry in northern Tasmania. Producing high value crops and adding value to those crops, is a positive method of securing jobs and retaining skills in the region. This in turn develops robust communities and adds to the wellbeing of the people that live in those communities. Underpinning all agribusiness in northern Tasmania must be reliable irrigation water.

Poppies are grown for the global alkaloid market solely in Tasmania. There is a real threat that in the season 2009 and beyond, there will be insufficient poppies grown in Tasmania to meet demand and that the manufacturers will go to New Zealand to grow a new supply. New Zealand has not grown commercial poppy crops before. There is sufficient suitable ground for growing poppies in Tasmania, but due to lack of irrigation supply, primarily in the Central and Southern Midlands, Highlands and Derwent Valley, farmers are not risking these high value crops. There is sufficient water capture in these regions, however there is not the infrastructure to store and distribute it.

The Board of Northern Tasmania Development fully endorses the State and Federal government initiative in the establishment and funding of the Tasmanian Irrigation Development Board and the projects they will implement. The key focus is to provide greater water security for farmers and regional communities and drought-proof susceptible areas and to;

- take account of the interests of local communities and key stakeholders;
- be economically viable and technically feasible;
- leverage appropriate investment by water users to augment public funds;
- be facilitated in an efficient, cost-effective and timely manner;
- ensure the ongoing environmental sustainability of Tasmania's water resources; and,
- comply with relevant State and Commonwealth legislation and policy.

## **Energy – Role Out of Reticulated Gas**

The Tamar Valley has significant air quality issues during the winter months from the use of wood heaters, resulting in high levels of respiratory problems in the population. In fact, Greater Launceston has been rated as experiencing the worst particle pollution problems of any city in Australia.

By the 1970s the popularity of wood burning had declined significantly. Wood heaters and open fireplaces played only a minor role in the home heating market, with many houses utilizing the relatively cheap oil heating option. This changed dramatically following the sudden oil price rise in 1978. The rise triggered rapid growth of wood heating in the residential market across Australia, especially in Tasmania, where there was an abundant source of cheap fuel.

Wood heater numbers probably peaked in Greater Launceston in the early 1990s, with somewhere around 60% of houses using wood heating. It was at this time that community concern began to grow in the city. Launceston City Council began to develop educational material at this time. An initial, but comprehensive study into issues of local air pollution began, and was published in 1996, titled *Air Pollution, Environmental Health and Respiratory Diseases in Launceston*.

In 2000/2001 estimates were made by the National Pollutant Inventory regarding sources of air pollution in Greater Launceston. The estimate attributed woodheater use to 85% of all winter PM<sub>10</sub> emissions in Greater Launceston. This estimate proved beyond doubt what many had already guessed; that wood heaters were the primary cause of Greater Launceston's winter air quality problem.

With the installation of the natural gas pipeline from Bass Strait to northern Tasmania and onto Hobart, there is the opportunity for the northern region to tap into reticulated natural gas, however the cost of a domestic and industry reticulation infrastructure is hampering the role out of this energy.

Federal Government funding assistance is being sought for the implementation of a reticulated system in the 5 municipalities of George Town, West Tamar, Launceston, Northern Midlands, and Meander Valley.

**Cost: \$100M**

## **Transport**

As an island state and a major net exporter of produce, Tasmania is heavily reliant on reliable and cost effective transport infrastructure.

As production increases through irrigation and productivity gains, there will be more product to transport and more people to move.

The eight northern councils have listed the following projects that will assist in providing productivity gains and the safe movement of people.

1. Ongoing commitment to Tasmanian Freight Equalisation Scheme (TFES)
2. Upgrade of Evandale Main Road – Breadalbane Roundabout to Airport - \$1.5m
3. Upgrade northern rail and take pressure off roads - Extending and improving North/South and East/West – \$150m, including needs analysis and costs to survey and implement - \$200,000
4. Upgrade of Port Access Road – Bell Bay - \$3m
5. Construction of Silverdome access - \$4.5m
6. Upgrade of Frankford Highway to Batman Bridge - \$60m
7. Upgrade of Birralea Road - \$30m
8. Air access - Upgrade Launceston Airport terminal specifically light air terminal - \$750,000
9. Launceston City by-pass - Henry Street to Forster Street - \$20m
10. Construction of safety access at St Helens Bar Way - \$3.5m
11. Upgrade of Scottsdale – Bridport Main Road \$12m
12. Upgrade of West Tamar Highway at Riverside – upgrade to 2 lanes - \$10m
13. Upgrade of Prossers Road linking Tasman Highway to Lilydale Road - \$12m
14. Upgrade of Hoblers Bridge to Henry Street - \$10m
15. Upgrade of Illawarra Main Road – Bass Highway to Northern Midlands Highway - \$10m
16. Upgrade of Lilydale / Golconda Road - \$80m
17. Upgrade of Palana – Emita Road, Flinders Island - \$7m

**Combined Cost: \$414.45M**

## **Communication**

The Board of Northern Tasmania Development fully endorses the Federal Government's Broadband Development Network programme, managed by the State government through the Department of Economic Development and Tourism in conjunction with the Tasmanian Electronic Commerce Centre (TECC). Northern Tasmania Development has been assisting both organisations to collaborate with local government in ensuring that the state's broadband priorities are progressed at the regional and community level.

The focus of the Broadband Development Network project on regional broadband opportunities will help support local government and communities to increase their understanding and access to broadband infrastructure and network rollout opportunities, as well as identifying and documenting priority areas for new and/or improved broadband services.

Northern Tasmania Development has played an active role in bringing together the programme proponents and the local councils on an individual basis.

We encourage the Federal Government to place further funding into this project, subject to consultation with regional bodies and communities, to ensure that the resource is being used to deliver active services.

END