

Tasmanian Infrastructure Advisory Council

Minutes of Meeting No. 5
held 23 May 2012

MINUTES

1. Welcome and Declarations of Interest

Attendees:

Mr Philip Clark, Chair
Mr Norm McIlfratrick, Secretary, Department of Infrastructure, Energy and Resources
Mr Kim Evans, Secretary, Department of Primary Industries, Parks, Water and Environment
Mr Mark Kelleher, Secretary, Department of Economic Development, Tourism and the Arts
Mr Damien White, CEO, Tasrail
Dr Peter Davis, CEO, Aurora Energy
Mr Peter Clark, CEO, Transend Networks
Mr Neil MacKinnon, CEO, Tasmanian Chamber of Commerce and Industry
Mr Greg Alomes, Executive Commissioner, Tasmanian Planning Commission
Mr Miles Hampton, Chair, Tasmanian Water and Sewerage Corporations Board
Mr Matthew Phillips, Manager Commercial Network, NBNC
Mr Richie Sheather, General Manager, TasGas
Mr Allan Garcia, CEO, Local Government Association of Tasmania

Apology:

Mr Paul Weedon, CEO, Tasports

In attendance:

Sir Rod Eddington, Chair, Infrastructure Australia – *for Agenda Items 2(a) and 2(b)*
Mr Chris Oldfield, CEO, and Mr Luke Curtain, Project Manager, Tasmanian Irrigation Development Board – *for Agenda Item 2(b)(i)*
Ms Elizabeth Jack, Deputy Secretary, Department of Economic Development, Tourism and the Arts – *for Agenda Item 2(b)(ii)*

Observers:

Mr David Spence, Ms Angela Conway and Ms Teresa Derrick

Department of Infrastructure, Energy and Resources

The Chair welcomed Mr Neil MacKinnon, the new CEO of the Tasmanian Chamber of Commerce and Industry, to his first meeting of TIAC.

2(A). Address by Chair of Infrastructure Australia and discussion

The Chair welcomed Sir Rod Eddington, Chair of Infrastructure Australia, and invited him to address the Council.

Sir Rod provided a brief overview of the role of Infrastructure Australia which is a statutory body tasked with examining infrastructure projects across Australia that are competing for funding, and recommending those projects that it considers will deliver the greatest benefit.

He then provided Council members with his view on the following issues and invited discussion.

Government spending on economic infrastructure is a challenge. There is a risk that if no action is taken we will not feel the impact now, or even in the next few years, but over the next 10 -50 years the lack of action now will have an impact.

IA recognises that governments look at social impacts of projects, but IA looks at projects through an “unashamedly” economic lens. IA wants to understand strategic linkages between projects and why one project has priority over another project.

Economic development and productivity are inextricably linked. Productivity improvements will lift overall wellbeing. Short term productivity improvements rarely come from infrastructure – due to the long delivery timeframes, we are really looking at a 10 year lag.

In the short term productivity gains come from economic reform. We have been benefitting from the competition policy era reforms – they drove productivity improvements in the 1-3-5 year timeframes.

Infrastructure provides long term productivity growth, however long term benefits are often not pursued as political cycles are short term.

Consideration of governance and ownership is required – define what will be delivered and how it will be delivered. Not doctrinaire about ownership, major concern is productivity, whatever the ownership structure.

The Chair thanked Sir Rod on behalf of all Council members for his attendance today.

2(B). Presentations

(i) Tasmanian Irrigation

Council members viewed a marketing video produced by Tasmanian Irrigation entitled "Water Connects Us" which was followed by a PowerPoint presentation by CEO Chris Oldfield, entitled "Tasmania's Water Advantage".

Overview of Presentation

Tasmanian Irrigation progresses irrigation schemes from feasibility assessment through to the construction and operational stages. The capital cost of these schemes is shared between the community, the private sector and government. A total of \$220 million has been earmarked by the Tasmanian and Australian Governments to progress the irrigation developments. Private sector funding to date for seven irrigation schemes is over \$48 million (281 individual investors).

(ii) Hobart Port Precinct project

The Deputy Secretary Culture, Recreation and Sport, Elizabeth Jack, provided an update on the infrastructure project "Transforming Hobart's Port Precinct: driving economic growth" (formerly known as "Hobart: a world-class liveable waterfront city") which formed part of the Tasmanian Government's 2011 submission to IA.

DEDTA hosted an "Enquiry by Design" workshop in February involving 30 stakeholders representing government, industry, business, local government and educational organisations. The outcomes from the workshop assisted in developing a range of concepts and options for consideration for the Macquarie Point Railyards site. Good data already exists [from the Royal Hobart Hospital redevelopment project] on the railyards site remediation, costed at \$50 million.

A project steering committee comprising Tasports, the Hobart City Council, DEDTA, the Institute of Architects and the CEO of Tourism Tasmania is developing three concepts for the Port precinct involving mixed use incorporating inner city living, commercial/office space, education, tourism and retail.

Positive feedback on the direction of the project has been received from the CEO of Barangaroo Sydney [and former CEO of Docklands Authority], Mr John Tabart. DEDTA has also consulted with the Port of Melbourne Corporation in terms of their experiences in tackling the same issues.

3. Project Lists

The draft Tasmanian Infrastructure Project Scheme – Projects \$100 million and over (2011-2021) and the draft Current and Proposed Projects: \$5 million - \$100 million were tabled. The Chair asked members to continue their input in updating the project lists.

4. Acceptance of Minutes of Meeting No. 4

The Minutes of Meeting No. 4 held on 14 February 2012 were accepted as a true and accurate record.

Council members received the status report on action items arising from previous meetings noting that a verbal report on the Electricity Supply Industry Expert Review was being provided in today's meeting.

5. Report from Chair on consultations

(i) Funding Reference Group

The Funding Reference Group met with Macquarie Bank on 2 May 2012 where approaches to funding infrastructure projects were discussed.

(ii) Other meetings and discussions

Since the last TIAC meeting in February 2012, the Chair has met with:

- The Minister for Infrastructure - to report on TIAC operations and infrastructure project priorities
- The CEO of Hobart International Airport Pty Ltd – to discuss HIAPL's Antarctic expansion program
- The Department of Economic Development, Tourism and the Arts – to discuss the direction of the Hobart Waterfront project
- Civil Contractors Federation/Property Council of Australia
- Tasmanian Irrigation Board dinner
- Accompanied the Minister for Infrastructure – meetings with the three regional economic reference groups and tour of the Caterpillar plant
- Managing Director of Stornoway re their waste water systems
- Prof Paddy Nixon, UTas – re the SenseT program

6. Discussion

(i) Energy Supply Industry Expert Panel Review

Aurora Energy CEO, Dr Peter Davis, and Secretary of DIER, Norm McIlfatrick, provided a verbal report on the findings of the Expert Panel's Review.

It was noted that the Minister for Resources and Energy publicly released the report on 15 May 2012. It is available on the Department of Treasury and Finance website at:

[http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/Electricity-Reform-Report.pdf/\\$file/Electricity-Reform-Report.pdf](http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/Electricity-Reform-Report.pdf/$file/Electricity-Reform-Report.pdf)

(ii) Regional Economic Development Plans (progress report)

The Secretary of DEDTA, Mark Kelleher, reported that three regional reference groups have been given responsibility for the three plans to be developed.

It was noted that the original timeframe of 30 June has been adjusted to 31 October to allow for the input of the AIRC date due in August, plus the need to feed in the substantial degree of industry and public engagement that is being undertaken.

A further update will be provided to the November meeting of TIAC.

(iii) Statewide Interim Planning Schemes (progress report)

The Executive Commissioner of the Tasmanian Planning Commission, Greg Alomes, provided a verbal update on the progress of the Statewide Interim Planning Schemes.

The TPC has received seven of the Northern planning schemes and is now working with Councils individually to audit and QA the schemes. TPC is also working with the region collectively on the regional models.

Only part of the Southern regional planning scheme has been received.

The TPC is currently working with DPIPW to achieve technical consistency of digital planning scheme mapping. This will facilitate the merging of individual council planning scheme mapping into a single statewide planning scheme zone dataset which can then be delivered to users through the LIST.

Completed schemes will go to the Minister for Planning by the end of June 2012 for declaration.

7. Other Business

(i) Chair's inaugural report to Minister

The Chair's inaugural report to the Minister for Infrastructure was tabled. The Chair invited feedback, to be received via David Spence at DIER.

8. Next Meeting(s)

- (i) A special meeting to be scheduled for July 2012 to consider Infrastructure Australia/Nation Building 2 projects. DIER to circulate potential dates to TIAC members.
- (ii) The next regular meeting of TIAC will be held at 10:00 am on Tuesday 14 August 2012 in the Premier's Reception Room, Level 11, 15 Murray Street Hobart.



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**TASMANIAN INFRASTRUCTURE
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