

Tasmania's State Infrastructure Strategy

Norm McIlfrick
Secretary
Department of Infrastructure Energy and Resources

The Department of Infrastructure Energy & Resources

Roles

- Transport Commission
- Infrastructure Policy & Planning
- Roads and Traffic
- Land Transport Safety

- Passenger Transport

- Energy policy
- Forestry Policy
- **Mineral Resources Tasmania**
- Racing Services

The Responsibilities

- Statutory role – rules, regulations and legislation
- Strategic modelling, long-term planning – National agenda
- Delivery & maintenance; Traffic management
- Registration & Licensing, Vehicle Operations, Road Safety, Driver Testing
- Urban, Rural and School bus services, Taxi industry regulation, concession management.
- Energy planning and conservation – statutory role
- Policy agenda and related statutory roles (FPA, PFT)
- **Mining and exploration data, licensing and tenement management – *the experts***
- Policy and compliance

Transport infrastructure is an important economic element for a small state

- Tasmania has a \$20B economy
- Expenditure on new and upgraded State/ Federal infrastructure alone in 2008/09 will account for ~1% of GSP
 - An important contribution – that is amplified in tough times
- Luckily, Tasmania enters this period of Global Financial Crisis with more capital committed to infrastructure than ever before
 - through commitment to delivery of state and federal government election commitments; and local Government investments
 - And we expect to have projects in the pipeline

Current year projects – a record

2008-09 State /Australian Govt road/rail budgets by region:

Region	State Government	Australian Government	Total Budget
South	\$57.391M	\$28.525M	\$85.916M
North East	\$27.506M	\$21.269M	\$48.775M
North West	\$26.830M	\$9.906M	\$36.735M
TOTAL	\$111.727M	\$59.699M	\$171.426M

Australian Government have allocated \$464 million to Tasmania (2009/10 to 2013/14).

Other people build infrastructure as well!

Conservative 5 year capital spend:

- Electricity Distribution & Transmission \$ 500m
- Electricity generation \$300m
- Water and Sewerage \$600m
- Irrigation Board \$250m
- Telecommunications \$400m
- Local Government \$250m
- Education and public housing \$500m
- Plus Roads and Rail \$500m
- = Over 3% of GSP per year

Making a State Infrastructure Strategy essential

Over the past 3 to 6 months we have been asking our stakeholders to help us frame the strategies for the next ten years and beyond

Future Issues and Questions to be Answered

Based on some feedback from our stakeholders:
Local Government, Federal Government and the
Business Community

If Tasmania was a “Blank Canvas”

- *Would we plan our settlements, land use and infrastructure together? – I think we would!*
- Today’s reality:
 - We have around 32 planning schemes;
 - land use planning and infrastructure planning are far from integrated; and
 - the relationship between Local government and State infrastructure providers still has plenty of “room for improvement”
- But there is hope – the current regional planning agenda and creation of a Tasmanian Planning Commission are a big step
 - However this is only a first step in integration of our thinking/planning;
 - In future, we need much increased levels of co-ordination between levels of Government and the business and community sectors

If Tasmania was a “Blank Canvas”

- *Would we make decisions on infrastructure priorities with a “Big Picture” view? – I think we would!*
- Today’s reality:
 - We have around 40 Infrastructure authorities;
 - All face funding and resource constraints; and
 - Decision making is often parochial and under strong political influence;
 - Good efforts in strategic planning at regional levels – room for much more integration of thinking across the board
- We need to work on an optimal governance model for Infrastructure decision making/ influencing in Tasmania
 - Achievable through strong co-operative effort – by existing organisations
 - Business and Community need a stronger voice at the table

If Tasmania was a “Blank Canvas”

- *Would we deliver and maintain our infrastructure in a best practice manner? – I think we would!*
- Today’s reality:-
 - Roads are well behind the pace – 32 authorities
 - Including numerous asset management, contractual and tendering processes; and
 - Starting to see optimisation of resources and effort between organisations (particularly at local Government level), however
- We need to work on an optimal model for road (potentially wider infrastructure) delivery and maintenance in Tasmania
 - We should watch closely the reforms in Water and Sewerage and consider other “utility” models in our future thinking.

If Tasmania was a “Blank Canvas”

- *Would we rely so heavily on the vagaries of the “election cycle” to provide our infrastructure funding? – I think we would not!*
- Today’s reality: we do!
 - While all Governments have a strong focus on infrastructure;
 - There is little connection between taxes and levies collected and funds allocated to transport infrastructure;
 - The further you get from the collection regime – the worse it looks (eg from Local Government view)
- We need to address this dilemma – it won’t be an easy fix!
 - New technology will make a move towards “user pays” more feasible;
 - Sustainable infrastructure provision on a “utility” return on assets model?

Leveraging our Natural Advantage

- *Of course this is the position we want to be in*
- *With Infrastructure as the enabler – not a constraint*
- *Maximising our long-term advantages, including:*
 - *renewable energy;*
 - *availability of water;*
 - *agriculture and marine; and*
 - *mineral and forest resources*
- *Providing connections for our industry, exporters, visitors and residents*
 - *Maximising our natural heritage and attractive lifestyle*

I have avoided the “What” questions

- Why?
- Because, almost exclusively our experts stakeholders focused on the ‘how’

Our Themes

- Co-ordinated Infrastructure planning
- Effective Governance and Decision making
- Effective infrastructure delivery
- Viable and Sustainable Infrastructure
- Leveraging our Natural Advantage

By 2020 if we get it right – we will have:

- An integrated freight transport system that supports the projected doubling the task
 - Road, rail and ports providing efficient, competitive services
- Completed the essential Water and Sewerage reforms
- Realised our huge Renewal Energy opportunities in a carbon constrained national market
- Provided ‘level” playing field choice for people between transport modes – with a viable public transport system
- Released the value of our precious water resources for a water constrained nation
- Connected every home and business to the world in real time

Thank you