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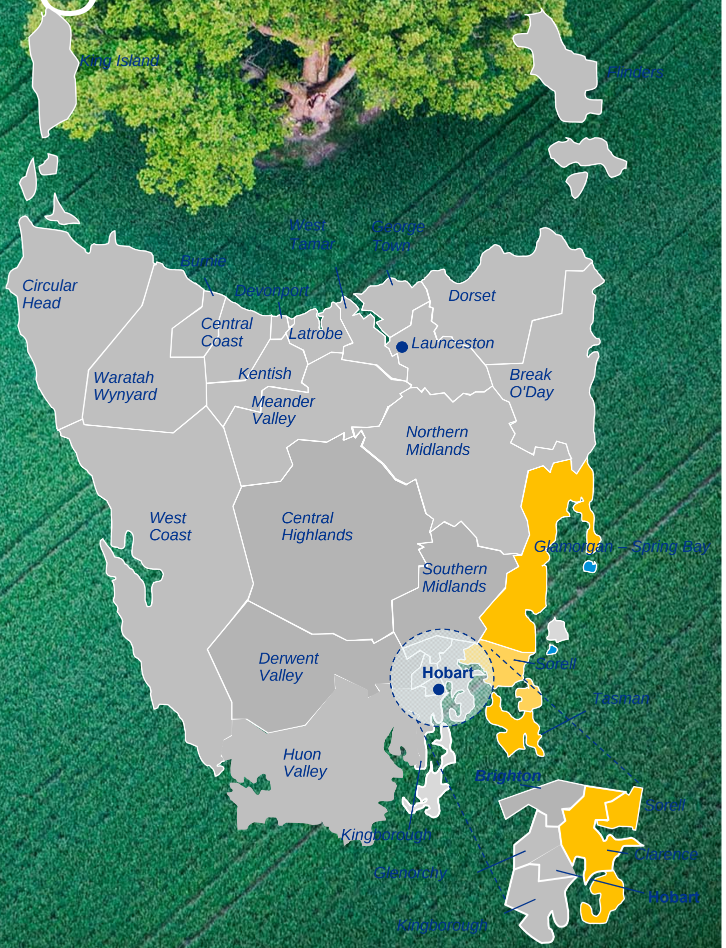
South East Region Development Association



Economic Infrastructure Update

—

May 2020

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Private and confidential

Mr Kerry Vincent
Chair
South East Region Development Association (SERDA)
C/-Sorell Council
Sorell TAS 7000

Dear Kerry

SERDA Economic Infrastructure Update – May 2020

KPMG is pleased to have been able to work with the SERDA group of Councils (Sorell, Tasman, Glamorgan Spring Bay and Clarence) to update the 2015 Economic Infrastructure Study that was developed by KPMG for SERDA in August 2015.

In summary, this 2020 update highlights the following:

- There have been some significant achievements in key industry sectors and infrastructure providers in the south east region since 2015 (Section 2)
- The south east region has evolved on many economic and demographic indicators since 2015, but the gains are not evenly shared between the four local government areas (Section 3)
- The key growth sectors in the region have made progress on many projects and many more have come onto the pipeline in the south east (Section 4)
- Some gains have been made to relieve some of the infrastructure pressure points, most notably roads and transport, but many issues still remain (Section 5), which is seeing some existing and new pressure points (Section 6)
- Ongoing investment in existing and new infrastructure priorities is essential to minimise the risk of any greater disconnect between industries and the enabling infrastructure, which is essential to underpin industry growth (Section 7)

We thank you for the opportunity to have undertaken this Economic Infrastructure Update and trust this will assist the region to prioritise and advocate for ongoing infrastructure investment in the south east region.

David Harradine
Partner

David Richardson
Director

Important Notice

Inherent Limitations

This report has been prepared as outlined in the “Scope” Section on page 18. The services provided in connection with this engagement comprise an advisory engagement which is not subject to assurance and other standards issued by the Australian Auditing and Assurance Standards Board, and consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the management and personnel / stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form. The findings in this report have been formed on the above basis.

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Executive summary - Headlines

Much has been achieved since 2015. (Section 2)

Since the initial South East Regional Development Association (SERDA) Infrastructure Strategy (2015), the key industry sectors and enabling infrastructure providers have achieved a great deal:

- **Industries** have advanced, most notably in tourism and hospitality, agriculture, aquaculture/ fisheries and construction and manufacturing, with many new or expanded business now operating in the south east.
- **Infrastructure enabler** gains have been made in water supply and waste water management, roads and transport, the Airport, supply of residential and commercial land and in some community infrastructure.

The State Government's 30 year Infrastructure Pipeline shows a **combined $838M** of public and private sector projects in for the south east. This update for SERDA has found that many more opportunities exist…**perhaps $1.5-2B all up…**

The south east region's demographic profile has evolved. (Section 3)

A selection of indicators point to ongoing growth and evolution across the SERDA region, but the gains and outlook are not evenly distributed across all four local government areas:

- Population has grown from **73,360 to 79,095** (estimated as at 2018), exceeding the Tasmania growth rate by around 0.5-0.7% p.a. with **Sorell growing at more than double the rate** of the other SERDA councils.
- Visitor numbers to the south east have risen from **314,000 to over 350,000** p.a. led by the Port Arthur Historic Site and the Great Eastern Drive series of destinations.
- Updated population forecasts released by the Department of Treasury and Finance in 2019, still point to **population growth in Sorell (up 3,500), and Clarence (up 11,000)** with declines in Glamorgan Spring Bay and Tasman by 2040*
- **Favourable trends** overall have been seen in the median house price, regional production, jobs and visitor numbers, with some softening becoming apparent from peaks in 2018.
- **Less favourable trends** have been seen in comparative wages and higher comparative reliance on income support.
- The number of residents living and working in the south east has deteriorated further across all four LGAs – notably **only 27% of Sorell residents and 33% of Clarence resident also work in those LGAs.**

The industry sectors have been busy…(Section 4)

Though some projects are still working through planning phases, there have been significant advances made by many businesses operating in the south east region across the **tourism and hospitality sector, agriculture, aquaculture and fisheries and most notably, social services**.

The tourism and hospitality sector may have softened a little from its peak in 2018. The other sectors also have various challenges that could constrain growth.

…and the infrastructure enablers have responded. (Section 5)

The infrastructure enablers have also made advances in the region, in water and sewerage, irrigation, the Airport and providers of community infrastructure. Highlights include:

- the South East Traffic Solution and advanced planning and approvals for a Sorell by-Pass.
- a substantially advanced South East Irrigation Scheme.
- an approved 2020 Master Development Plan for the Hobart Airport.

An additional 4,800 approved lots in Clarence and 800 in Sorell will drive population growth in the south east.

- (mid-range series)

Executive summary - Headlines

But some existing and new pressure points remain. (Section 6)	Despite the gains, some pressure points remain or have emerged, **which affect all the SERDA** member councils to varying degrees. These are driven by key forces including a much greater acceptance and impact of **climate change**, ongoing **population growth** in Sorell and Clarence, the influx of **additional visitors** and the prospect of up to 700,000 more visitors to Tasmania by 2030 through the Airport and two new Spirit Vessels, of which **around 27% or 190,000 would likely visit the south east, all else being equal**. Headline pressure points include: • **Roads and transport** – congestion around Midway Point, Mornington and the Tasman Bridge; access and affordability of public transport in more remote areas and the pressure on the Arthur Highway & Great Eastern Drive. • **Irrigation, water and waste water** – inadequate smaller water/ sewerage schemes not included in the initial transfer orders to TasWater, which struggle under the additional visitor demands. • **Land supply** – the Southern Tasmanian Regional Land Use Strategy presents a particular challenge for Sorell, with no light industrial land available for industry and local jobs and limited residential land supply in the medium term. • **Educational infrastructure and services** – the need to educate and employ more residents in the south east region to improve job containment and reduce traffic movements to schools and businesses outside of the region.
And so, there is more work to be done, but with a slightly different focus to 2015. (Section 7)	As a result of the industry sector driven trends and developments and the convergence of those forces with the providers of the infrastructure in the region, focus should remain on the responses proposed in 2015, with additional focus now on: 1. Developing a shared vision with the State as to the **future of Sorell as a key regional satellite** in light of pressures for reduced expansion of the peri-urban regions conflicting with a need for local development and employment. 2. Focussing on the **execution of the South East Traffic Solution** to ease the more immediate traffic congestion related pressure points. 3. Providing both **irrigation and drink water surety** through the coordinated efforts of TasWater and TasIrrigation for the growing population and the expanding agriculture and aquaculture sectors. 4. Focussing on **water and waste water solutions in the hot spots** of Coles Bay, Port Arthur, Pittwater and Orielton Lagoon. 5. Embracing the range of development and regional employment and growth opportunities afforded by the **Airport Master Development Plan.** 6. Ensuring plans are in place to manage the **resilience of existing infrastructure** in the face of the climatic changes that escalate the risks of emergency events (fire, flood, drought, lightning strike, coastal erosion and sea inundation). 7. Continuing to **address the weaker communications** that still plague some rural areas with 'black spots', which will likely come under added pressure with growing reliance on remote and mobile working patterns and visitor needs.

Much has been achieved in the key industries and infrastructure enablers since 2015...many others are advancing through planning (Section 2)

Key industry sector achievements

Aquaculture and fisheries

1. Marine farming expansion around Barilla Bay.
2. Marine farming expansion around Pipe Clay Lagoon, Dolphins Sands, Coles Bay, Little Swanport and Triabunna.

Tourism and hospitality

3. Port Arthur Historic Site Visitor Centre Upgrade
4. Orani – Iron Creek Farm Stay
5. Spring Bay Mill redevelopment (Triabunna)
6. Completion & part funding of the Freycinet Master Plan

Agriculture

7. Agriculture expansion driven by the South East Irrigation Scheme
8. Vineyard expansion (agri-tourism) – Devils Corner, Glen Gala, Milton, Spring Vale etc.

Construction & manufacturing

9. Expanded marine biotech sector around Cambridge.

Key infrastructure achievements

Water and waste water

1. Prosser Plains raw water supply providing water to Tassal's Triabunna facility
2. Prosser River stabilisation

Hobart Airport

3. New 2020 Master Development Plan provides for approximately $700M of new investment

Residential & commercial land

4. C-Cell Development completed at Copping Refuse Site
5. Triabunna Marina Views Estate
6. Cambridge Master Plan completed
7. Sorell 20 year Land Supply Strategy

Community infrastructure

8. Sorell High School redeveloped and extended to year 11/12

The south east region has continued to develop on many indicators but the gains are not evenly spread (Section 3)

Many (but not all) of the key indicators are trending favourably, but not evenly across the region ….

Indicator	Comment	Overall direction	Ref p.#
Population growth	The overall growth of the SERDA councils from 73,360 to 79,095 has been higher than that of Tasmania, led by Sorell. Affordable and abundant land supply will drive growth for the foreseeable future	↑	**31**
Population profile	Tasman and GSB have an older demographic compared to Sorell and Clarence, which closely mirror greater Tasmania	→	**32**
Population forecasts	Clarence and Sorell on the rise, GSB and Tasman to fall, but overall the SERDA region is forecast to grow	↑	**33**
Labour force	South east region has the lowest unemployment rate, but also with the lowest participation rate. The region has consistently reduced unemployment rates since 2014 peak.	↑	**35-36**
Local jobs	Clarence & Sorell have experienced consistent growth in local job opportunities, whereas GSB and Tasman have been recovering from 2013 low.	↑	**37**
Wages	SERDA councils earned a lower average wage compared to the Tasmanian average, but growth in the SERDA region has outstripped Tasmania across most occupations.	↓	**38**

↑ = favourable trend → = neutral trend ↓ = unfavourable trend ? = indeterminate or unsure

The south east region has continued to develop on many indicators but the gains are not evenly spread (Section 3)

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Indicator	Comment	Overall direction	Ref p.#
Government support payment	Clarence and Sorell receive around the same government support as the Tasmanian average, Tasman and GSB receive more	⬇	**40**
Job containment	Job containment – has deteriorated between 2011 and 2016 for all four SERDA Councils, indicating fewer residents are both residing in and employed in these local government areas.	⬇	**41-42**
GRP	The GRP generated in Clarence, Sorell and Tasman have increased in the past 18 years, however GSB has decreased.	⬆	**44**
Occupation/ Jobs	Overall jobs growth but there are differences between the regions	⬆	**45-46**
Business numbers	After several years of consistent growth, the number of businesses notably and surprising declined for Sorell, GSB and Tasman in 2018	⬇	**47**
Housing	Rising values, lower days on market, but higher rent/ mortgage stress	⬆	**49-50**
Tourism	Has increased from 314,000 to around 350,000 but may have peaked in 2017-18 for now. The long term forecast points to 3% p.a. growth.	⬆	**55-57**
Agriculture production	Livestock is the central commodity produced in the south-east region, having experienced an increase from the most recent FY18 figures.	⬆	**64**
Aquaculture production	Salmonids accounted for 96% of Tasmania's fisheries in FY17, having steadily increased year-on-year since FY13.	⬆	**66**

⬆ = favourable trend ➡ = neutral trend ⬇ = unfavourable trend ? = indeterminate or unsure

The south east region has continued to develop on many indicators but the gains are not evenly spread (Section 3)

Many (but not all) of the key indicators are trending favourably, but not evenly across the region ….

Indicator	Comment	Overall direction	Ref p.#
Traffic movements	Traffic in all areas recorded has increased year-on-year, illustrating the growth in the region. However, this is contributing to congestion issues and points to the need for improvement in public transport and its affordability.		**87**
Work travel	Tasman and GSB use cars less to go to work, whilst Clarence and Sorell use their cars more despite shorter work commutes.		**88**
Rateable property growth	Since 2003, rateable property numbers in Sorell, GSB and Tasman have grown well over the Tasmanian-wide rate of 43.75%, with only Clarence falling below this rate.		**97**
Development applications	Development applications has increased for Sorell and Clarence since their last reported figure, however they have decreased for Tasman and GSB. Overall, applications in the SERDA region have grown.		**98**
Sports participation	State-wide, participation in sports remains at a consistent high level, with growing participation by women.		**104**

= favourable trend = neutral trend = unfavourable trend ? = indeterminate or unsure

Industry sectors have continued to evolve….(Section 4)

Tourism

- Several projects that have been mooted for some time have not materially advanced - Federal's new 3-4 star hotel at Port Arthur, the Spring Bay Golf Course and Remarkable Lodge at Safety Cove
- Other new industry led projects have come into the pipeline – Rosny Hill, Kangaroo Bay, Freycinet Lodge, Iron Creek Farm Stay, Spring Bay Mill and Devils Corner
- The overall outlook for the tourism sector is bright, with a new target of 2M visitors by 2030, fuelled by expanded capacity on the new twin-Spirits (additional 40% capacity) and a projected 55% increase in passenger numbers through Hobart Airport, up from 2.7M to 4.2M by 2030

Agriculture

- There have been many new or advanced agricultural initiatives in the south east, built on the expansion of the South East Irrigation Scheme – berries, cherries and grapes for wine are expanding in the south east
- Much of the east coast, that is not supported by irrigation is drought affected – Glamorgan Spring Bay and Break O'Day have been 'officially' in drought and also exposed to fire risk and the Tasman region also remains at risk of fire
- Long range rainfall indicators confirm there is much less rainfall in the south east and warming temperatures
- Some farmers are moving away from traditional products to those that are more drought tolerant to a warming climate

Aquaculture and fisheries

- Marine farming around Barilla Bay, Pittwater and Pipe Clay Lagoon, has expanded to also now include Dunalley Abalone and Shellfish Culture, along with industry expansion on many east coast locations - Coles Bay, Dolphins Sands, Triabunna etc.
- The aquaculture industry has expanded into Okehampton Bay in 2018 and has expansion plans into Storm Bay and other locations
- Some political, social and environmental barriers are limiting local expansion plans driving this industry off-shore to alternative products including prawn and barramundi

Social services

- Many new or expanded social services are in the planning or well advanced in south east since 2015, including:
    - Sorell High School extension to Years 11-12 and overall school redevelopment
    - Emergency Services Hub in Sorell
    - Child care and early learning in Sorell
    - Retirement living/ aged care in Rosny
    - Sorell Trade Training Centre operating at almost maximum capacity
- These developments reflect a significant shift from 2015, which had a heavier emphasis on roads and transport and is perhaps reflective of a region that is maturing and needing to respond to increasing families and retirees.

Construction & manufacturing

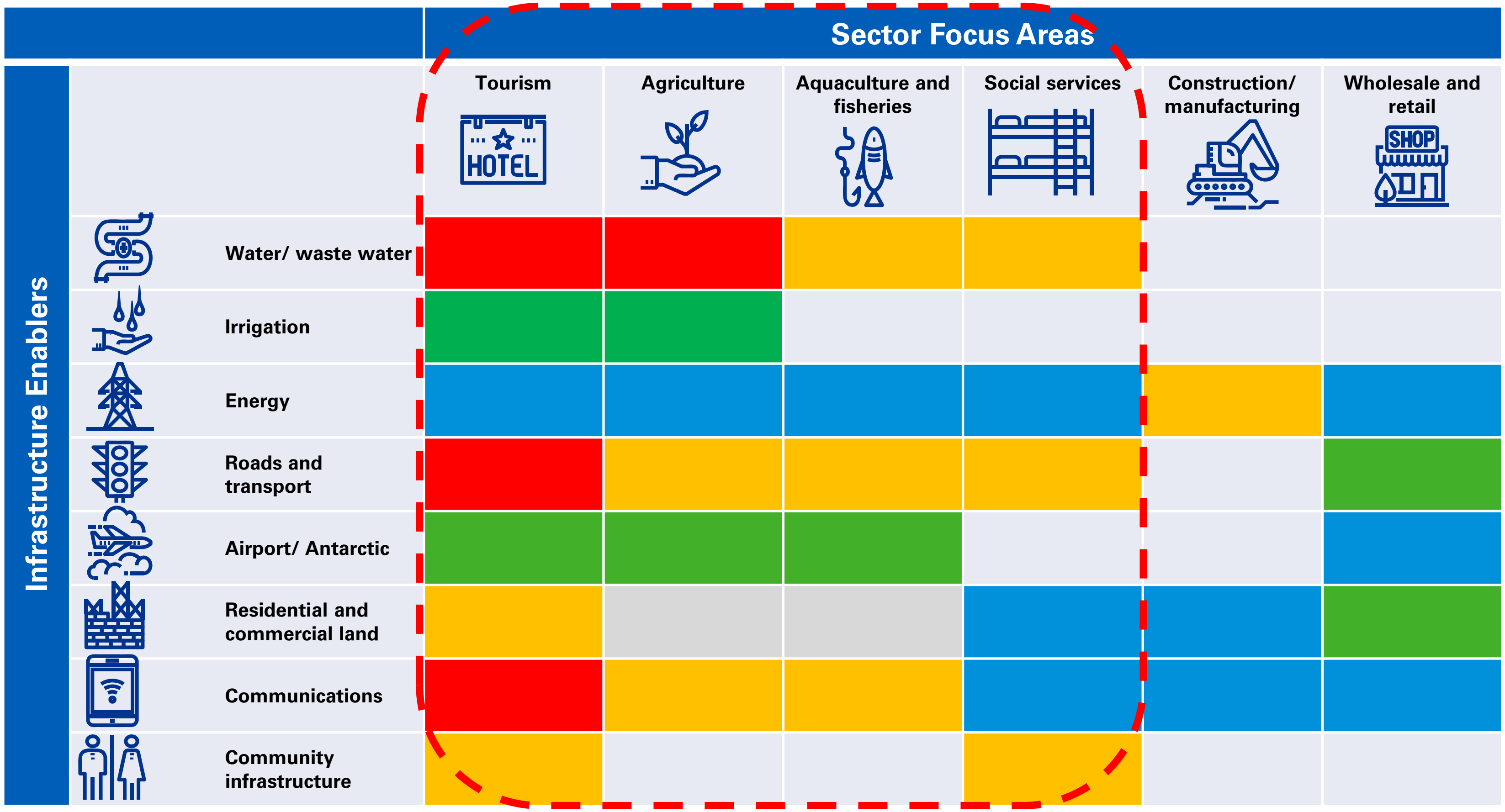
Wholesale and retail

- The 'traditional' sectors – construction/ manufacturing and wholesale/ retail remain part of the fabric of the south east, but are not strategic growth sectors in the same way as those outlined above
- The employment data indicates jobs in the construction sector have grown in all but Glamorgan Spring Bay
- The employment data indicates that jobs in wholesale and retail trade have declined in all but Sorell, which reported an increase of 43 retail jobs from 2011 to 2016
- A more buoyant local economy in the last five years may have boosted these sectors, but increased on-line shopping could have also impacted unfavourably on wholesale and retail trade in the south east

Progress has been made on some infrastructure priorities (Section 5)

Water and waste water	• TasWater has made good progress on completing upgrades to potable water supplies for small towns • Their attention is now turning to compliance upgrades to sewerage schemes, with a 10 year program of works • Special attention still needs to be given to key areas in the south east region – Port Arthur, Coles Bay etc.
Irrigation	• TasIrrigation has substantially progressed the SE Scheme and Swan Scheme and this is driving the agricultural industry • The schemes are an essential element of responding to the emerging dryer climate conditions in the south east • Reliance on TasWater to provide water to the SE Scheme is to be addressed with a $16M interim solution. • Connecting the Southern Midlands Scheme with the SE Scheme is a $250M longer term investment
Energy	• Energy supply has not really figured in the scope of this update as services are generally well regarded • TasNetworks has continued to make ongoing and programmed upgrades
Roads & transport	• The South East Traffic Solution sets out a plan for a series of upgrades to the south east corridor • Other gains have been made on key roads (e.g. Richmond Road, Arthur Highway, and Great Eastern Drive) and improved bus service from Sorell - plans are also forming for a Sorell by-pass • Growth in visitor numbers and residences in the south east will require further demand management
Airport	• Hobart International Airport has completed its runway extension • A new Master Development Plan approved in 2020 sets out a $600-800M program of works for the next 10 years • This will need to accommodate the growth in arrivals from 2.7M to 4.2M, plus additional freight capacity and an expanded commercial and retail precinct
Land supply	• Sorell is advancing planning for land to become available with the development of the Sorell By-Pass, noting that a review of the Southern Tasmania Regional Land Use Strategy is required to facilitate that development • Sorell currently has around 800 approved lots available for dwellings • Clarence is developing a Structural Plan for Droughty Point offering 2,000 or so lots, on top of the 4,800 lots already approved in the municipal area
Communications	• Upgrades are ongoing but residents, local businesses and visitors to these regions are severely impacted by the sub-standard communications services in some rural areas • This infrastructure will likely come under added pressure with growing reliance on remote and mobile working patterns/ technologies and increasing visitor expectations
Community infrastructure	• Planning is progressing on the region's recreational infrastructure – Pembroke, Bayview, Geilston Bay and Nubeena • Community infrastructure such as parks, reserves, sporting and recreational facilities have continued to be developed • Community infrastructure in support of education has continued to make positive progress through planning and development with the extension of mandatory Year 11 and 12 education

Some of the enabling infrastructure priorities are being addressed, but pressure points remain (Section 6)



= critical to sectors & under high pressure

= important to sectors & under moderate pressure

= critical to sectors & making progress

= relevant to sectors & making progress

Recommendations (1/3)

Given the industry sector outlooks, and existing and new emerging pressure points, what should be done to continue to advance the south east region's enabling infrastructure? Some carry over from 2015, but other new recommendations have emerged…

Water and waste water	1. Continue to influence TasWater to prioritise investment in water and sewerage schemes in regional towns that are coming under increasing pressure from growth and increased visitors demands (visitor accommodation and other day use demands) 2. Continue to press for TasWater to take over the Port Arthur Historic Site Water and Sewerage Scheme and bring forward investment to improve the capacity of the services 3. Continue to influence TasWater to explore waste water re-use schemes to support agriculture in the south east
Irrigation	1. Develop priority responses to the growing risks of drought as part of a holistic response to the impact of climate change in the south east and add support for development of new water supply and infrastructure in key areas 2. Continue to add regional support for the full separation of Tas Irrigation from its reliance on TasWater water supply and infrastructure 3. Monitor progress and add support for TasIrrigation to develop a fully integrated South East Scheme, and potentially for the full integration of the South East and Southern Midlands Schemes
Energy	1. Maintain ongoing upgrades to the south east region's energy supply to align with the forecast growth in demand by residents and visitors to the region 2. Advocate for priority investment on the Tasman and Forrestier Peninsulas to shore up energy supply
Roads and transport	1. Continue to press for the implementation of the South East Traffic Solution 2. Continue to advance planning and design for infrastructure/ services to increase public transportation utilisation – bus lanes, park and ride, shelters, kerb and guttering etc. (including service affordability) as required to ease demand on road infrastructure 3. Continue to make upgrades to key visitor touring routes – Richmond, Great Eastern Drive and Arthur Highway

Recommendations (2/3)

Given the industry sector outlooks, and existing and new emerging pressure points, what should be done to continue to advance the south east region's enabling infrastructure. Some carry over from 2015, but other new recommendations have emerged…

Airport	1. Continue to work constructively with the Hobart Airport through the planning and execution of its 2020 Master Development Plan 2. Develop strategies to attract resident workers to the south east to support the growth in jobs at the Hobart Airport precinct 3. Continue to advance initiatives that support the State's broader industry focus on growing its Antarctic support capability
Residential and commercial land	1. Conduct constructive dialogue with State Government and other urban councils to developed a shared understanding of the need to balance peri-urban growth and economic sustainability with broader regional needs to maximise infill development 2. Develop innovative responses to the rise of AirBnB and the loss of short and longer term rental accommodation for employees in the south east 3. Develop a clear regional appreciation of the impact of key residential and commercial land releases and associated developments in the south east, having regard to any constraints imposed by the Southern Tasmanian Regional Land Use Strategy. most notably: 1) Land that will become available at Sorell with the development of the Sorell By-Pass 2) Land that will become available at Droughty Point in Clarence with the extension of Oceania Drive from Tranmere to Rokeby 3) Land that will become available with highest and best alternative uses given to the existing Rosny Park Golf Course and Charles Hand Park, along with the developments now set to occur at Kangaroo Bay in Clarence
Communications	1. Continue to advocate for ongoing improvements to the South East Region's communications infrastructure in order to address weak/ slow internet connectivity and the remaining black spots that exist, in light of the growing attraction for people to live and work remotely, and the heightening connectivity expectations of visitors

Recommendations (3/3)

Given the industry sector outlooks, and existing and new emerging pressure points, what should be done to continue to advance the south east region's enabling infrastructure. Some carry over from 2015, but other new recommendations have emerged…

Community infrastructure

1. Continue to advocate for, and develop expanded community infrastructure to support the increasing demands for aged and disability support services, health care and child care in the South East Region
2. Continue to promote investment in education infrastructure and teaching capability to attract more students to pursue their K-12 education the south east
3. Coordinate the objectives and plans of Sorell and Clarence in relation to proposals for regional sporting facilities at Pembroke Park, Bayview, Geilston Bay and Seven Mile Beach
4. Develop a regional strategy to address the emerging risks of climate change on drought affected and coastal (low lying) areas in the south east
5. Continue to develop national parks and related public infrastructure to support growing visitor and retiree demands in townships, including, but not limited to:
   a) Ongoing investment in the national parks, especially in those pressure points of Freycinet/ Coles Bay, Triabunna/ Maria Island and the Tasman Peninsula
   b) Improved streetscapes, gardens, tree plantings, foot paths etc. to be more appealing to visitors
   c) Contemporary visitor information and services at Triabunna, Swansea, Bicheno, Freycinet and other popular visitor destinations, having regard to the high cost of operating traditional Visitor Information Centres
   d) Upgrades/ replacements of jetties, boat ramps etc. and improved supporting amenities such as parking, toilet facilities, fish cleaning areas, in collaboration with MAST
   e) Ongoing investment in public amenities, toilets, baby changing facilities etc. with funding support as required from Federal and State Governments
   f) Improved and more coordinated/ cohesive visitor and roads signage

1. Scope and approach

How are we approaching this infrastructure strategy update?

Introduction

The South East Region Development Association ("SERDA"), has engaged KPMG to assist in preparing an update of the 10 year regional economic infrastructure strategy that was initially developed in 2015.

The 2015 SERDA Infrastructure Strategy was founded on the following objectives, which still hold for this 2020 update:

— ensuring resilience and coordination of projects across the region when it comes to investment;

— realising the region's ability to contribute to economic growth; and

— increasing the quality of life for the region.

This study aims to update and refresh the 2015 study, having regard to:

— changes that can be seen in the region's economic and social profile and what that means for the future

— changes that occurred in the key industry sectors in the region and the updated outlook for the foreseeable future

— changes that have occurred in the key enabling infrastructure in the region and the updated outlook for the foreseeable future.

This strategy update aims to refresh and build on the evidence-based approach that was accumulated in 2015, without necessarily going to the same depth of analysis for this 'mid-term' measure-up ahead of the next Census in 2021.

The study, by definition is "broad and not deep", skirting across six key industry sectors and eight enabling infrastructure providers in a region that covers a significant part of Tasmania.

A refreshed and high-level look and feel to this report has been adopted to support SERDA's key stakeholders and influencers to advocate for and advance the economic and social prosperity of the south east region.

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Summary scope and approach

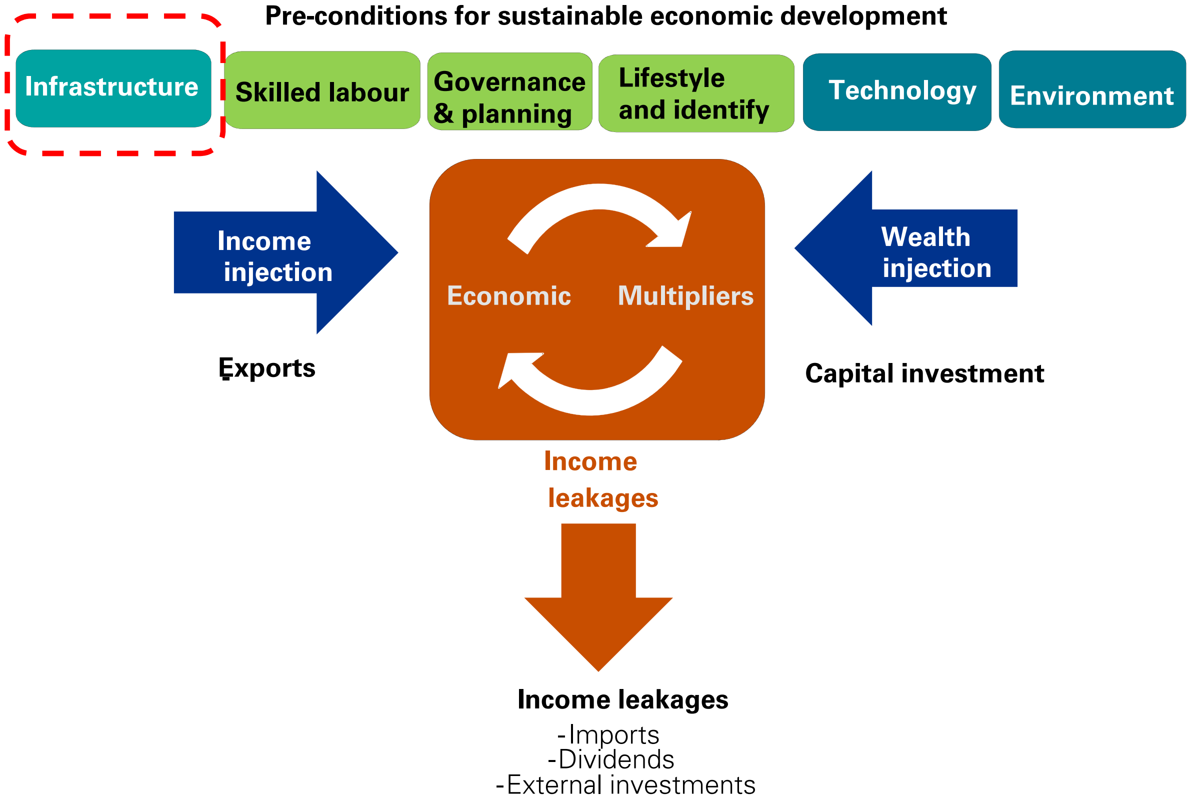
	Regional profile	Drivers of change	Issues identification	Strategic responses
Looking back	How has the south east region's demographic profile changed since the earlier study in 2015?	What changes in the south east region's key industries and infrastructure have occurred since 2015?	How have pressure points on the south east region's infrastructure have changed since 2015?	What's been achieved to address the pressure points since 2015?
	Section 3	Section 4	Section 6	Sections 2 and 5
Looking forward	How might the south east region's demographic profile evolve over coming years and what does that mean for the region's industries and infrastructure?	What changes in the south east region's key industries and infrastructure are happening in the foreseeable future?	What are the likely pressure points on the region's infrastructure in the foreseeable future and longer term?	What remains to be done to the region's infrastructure and related initiatives to respond to the potential pressure points?
	Section 3	Section 4	Section 6	Section 7

Sustainable social and economic development

KPMG's approach centres around a simplified model of a local economy, (shown right).

The boxes along the top of the model represent preconditions or 'enablers' for social and economic development. The key to maximising regional social and economic development opportunities include:

- strengthening and leveraging existing industries to maximise export opportunities
- attracting new investments and export industries and
- strengthening local industry supply chains to minimise income leakages thorough imports (i.e. Import replacement).



This project for SERDA is focussed on the infrastructure enabler which has many elements…

Sector and enabler focus areas

The Infrastructure Strategy is founded on understanding the current situation and future outlook for <u>key industry sectors</u> in the south east region and the current situation and future outlook for <u>the key enabling infrastructure</u> that needs to be in place to underpin the growth and development of those sectors and the region. Key growth sectors are highlighted. Any disconnect can lead to pressure points…

	Sector Focus Areas					
Infrastructure Enablers	Tourism	Agriculture	Aquaculture and fisheries	Social services	Construction/ manufacturing	Wholesale and retail
Water/ waste water	★	★	★		★	★
Irrigation	★	★	★			
Energy	★	★	★		★	
Roads and transport	★	★	★			
Airport/ Antarctic	★	★	★			
Residential and commercial land	★	★	★	★	★	★
Communications	★	★	★	★	★	★
Community infrastructure	★			★		★

2. How much has been achieved?

What has been completed across the industry sectors and infrastructure enablers since 2015 ?

2.1 Sector achievements

Sector led projects that have been completed or are well advanced

Aquaculture and fisheries

1. Marine farming expansion around Barilla Bay.
2. Marine farming expansion around Pipe Clay Lagoon, Dolphins Sands, Coles Bay, Little Swanport and Triabunna.

Tourism and hospitality

3. Port Arthur Historic Site Visitor Centre Upgrade
4. Orani – Iron Creek Farm Stay
5. Spring Bay Mill redevelopment
6. Completion and part funding of the Freycinet Master Plan

Agriculture

7. Agriculture expansion driven by the South East Irrigation Scheme
8. Vineyard expansion (agri-tourism) – Devils Corner, Glen Gala, Milton, Spring Vale etc.

Construction & manufacturing

9. Expanded marine biotech sector around Cambridge.

2.2 Infrastructure achievements

Infrastructure enabler projects that are completed or well advanced

Water and waste water

1. Improved water and waste water services to TASSAL (Triabunna facility).
2. Prosser River stabilisation

Hobart Airport

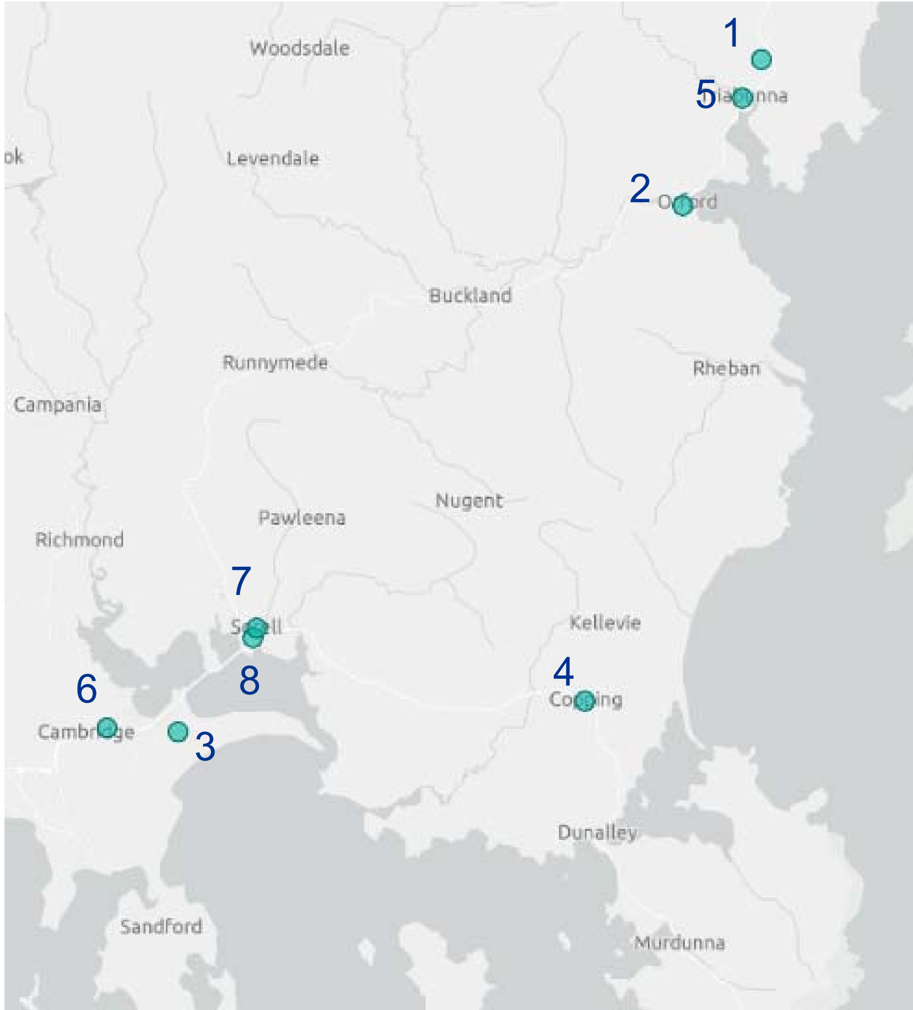
3. New 2020 Master Development Plan provides for approximately $700M of new investment

Residential & commercial land

4. C-Cell Development completed at Copping Refuse Site
5. Triabunna Marina Views Estate
6. Cambridge Master Plan completed
7. Sorell 20 year Land Supply Strategy

Community infrastructure

8. Sorell High School redeveloped and extended to year 11/12



30-year Infrastructure Strategy

Tasmania's first Infrastructure Strategy and Project Pipeline has been released since the 2015 SERDA Infrastructure Strategy. It provides a backdrop within which the SERDA Strategy can now exist….

Overview

Tasmania's first 30-year Infrastructure Strategy covers all types of infrastructure and sets a course for the next 30 years to create the best possible long term future for the state. It builds on work and planning already underway, including the Tasmania Government's recently released 10-year Infrastructure Pipeline, which details the known infrastructure projects to be delivered across the state over the next decade.

Themes

- ❑ **Liveability--**A clear and distinct identity is essential to attract people and investment to a place.
- ❑ **A productive and connected economy--**Providing the environment that enables learning for life is important to productivity growth, reducing disadvantage and improving living standards in the longer term.
- ❑ **Healthy and safe communities--**The availability, quality and accessibility of infrastructure and services are key influences in this environment.
- ❑ **Sustainability and resilience--**Building sustainable and resilient infrastructure supports the community to adapt to a changing climate.

Vision

Our vision is for a prosperous and sustainable Tasmania, where the economy, industry and communities flourish.

Objectives

- ✓ Future skills for future work;
- ✓ Live anywhere, work anywhere;
- ✓ Digitally enabled;
- ✓ Empowered patients, healthy lifestyles, improved wellbeing;
- ✓ Healthcare delivered closer to the home;
- ✓ Connected and accessible places and spaces;
- ✓ Considered use, management and operation of our environment;
- ✓ Robust planning and capability development.

The South East Region features prominently with a combined $838M of public and private sector projects in the Pipeline…however many more opportunities exist…

Matters raised in discussions - Infrastructure Tasmania

Infrastructure forces and trends

- The Infrastructure Strategy (30 years) and Pipeline (10 years) set out a direction and investment outlook. The Strategy has no formal policy status and so cannot be enforced and may be shaped by other local and political forces.
- Broader infrastructure policy, now to some degree reflected in the Greater Hobart City Deal is aiming to increase focus and investment in in-fill housing, so expansion to the regions should be considered in the context of a broader plan for the greater southern region.
- Growth in the south east present a broader challenge to policy makers and infrastructure providers. Residential housing expansion in the south east is occurring at a faster rate that supporting infrastructure and services can keep up with.
- The south east region need more local jobs and local services to keep people in the region rather than it be seen as a place for affordable housing from which travel is required to jobs outside the region. Public transport has a major role to play in also managing demand for investment in roads.
- A mega trend that may impact the south east is the shift towards working from home or from employment hubs. High level communications and connectivity infrastructure will be needed to encourage that trend to materialise in the south east.

Infrastructure challenges

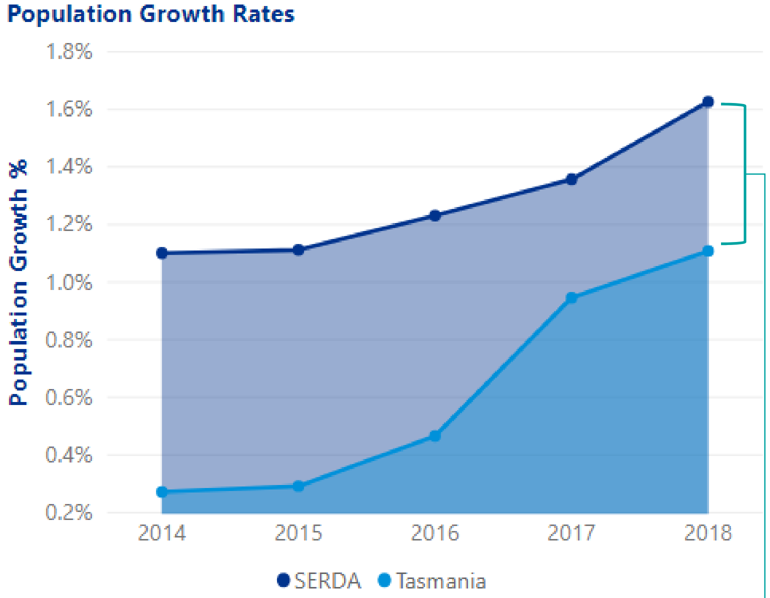
- A growing region needs ongoing investment in community infrastructure to keep youth entertained. Skate parks, sports precincts etc. are needed . The region also needs more pre-school and after school care options for families.
- The South East Transport Plan runs the risk of allowing commuters to get to the same traffic congestion at the Tasman Bridge faster. Additional demand management measures are essential. Park and ride has a key role for a long term solution.
- As the south east residential population grows, demand for social services and community infrastructure will also need grow. Further accelerated investment in those areas will be needed as the south east matures into a satellite city.
- Funding to community service providers remains tight. Funding to consumers has led to more tailored services being delivered based on needs based funding. Margins are very tight.
- Clarence is constrained in the amount of expansion/ development that can be done, which limits the need to significantly extend infrastructure. That growth can be managed.

3. The region has continued to evolve

How has the South East Region changed and what does it look like now?

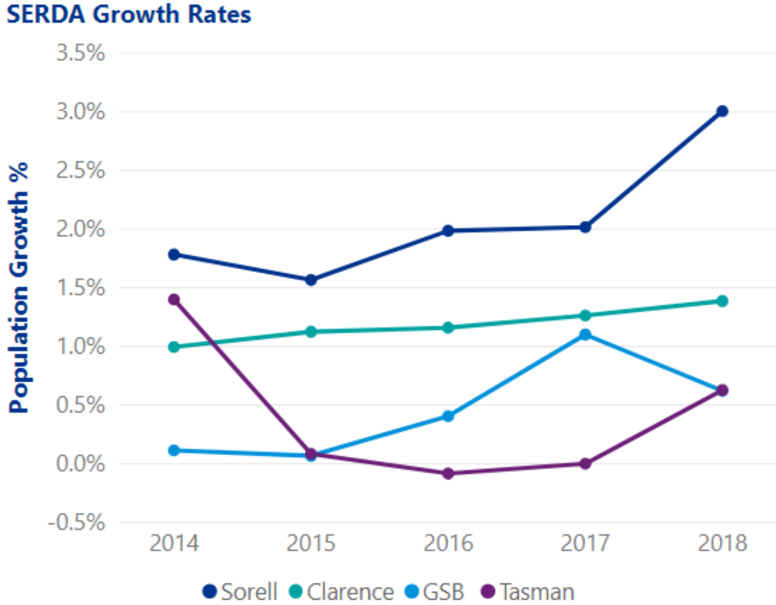
3.1 Population

Historical Population Growth



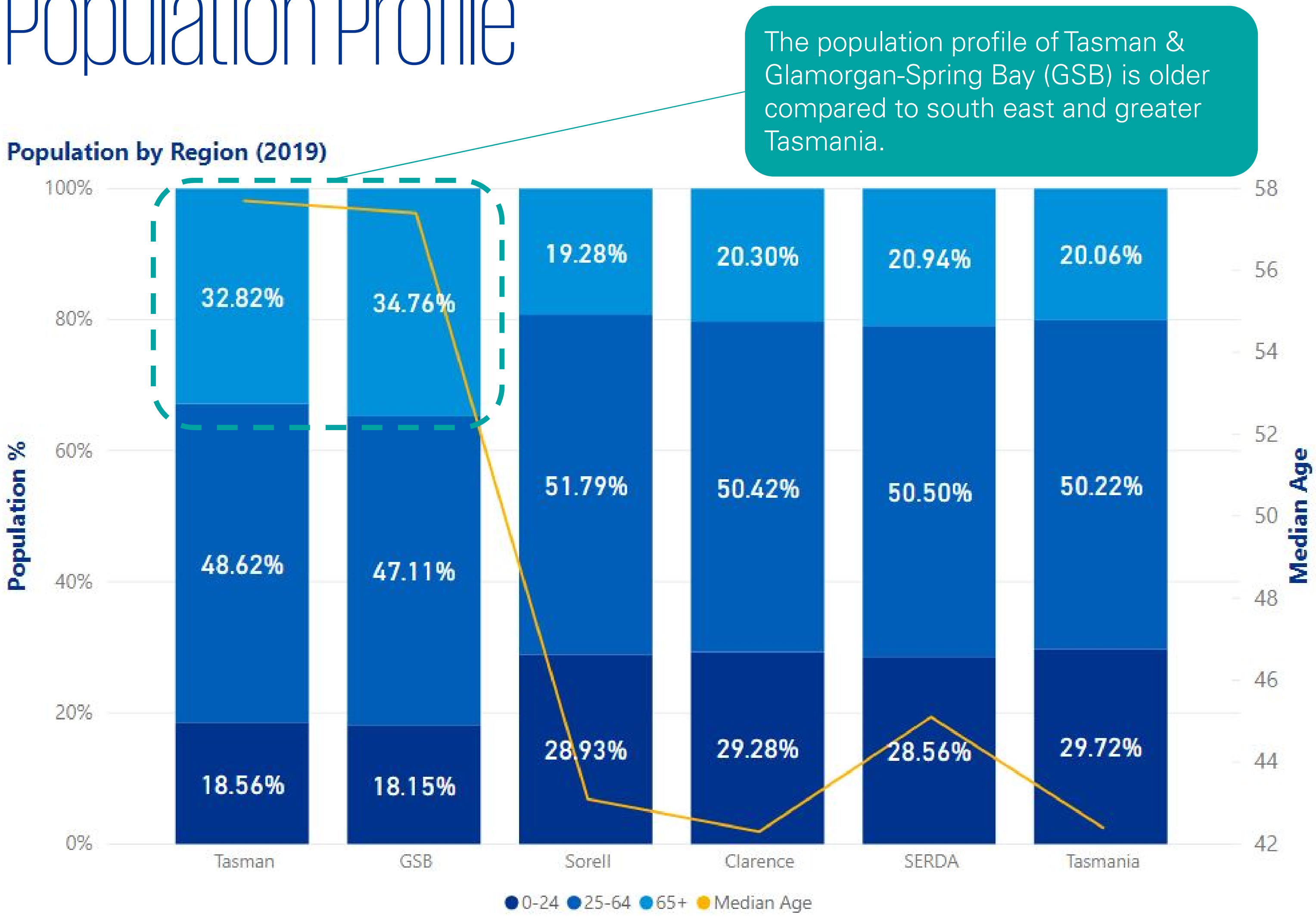
The population in south east Tasmania has increased higher than that of Tasmania overall by around 0.5% to 0.7% since 2016.

Sorell is the largest growing south east council, growing more than double the rate of the other councils in 2018.



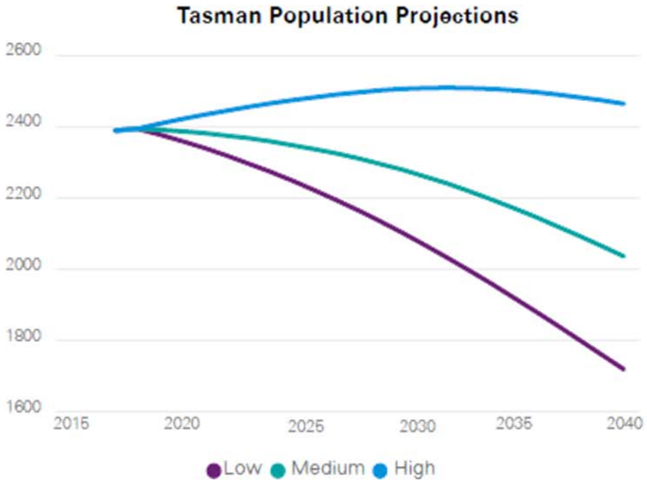
Source: ABS.Stat - ERP by LGA (ASGS 2018), 2001 to 2018, accessed 03/02/2020.

Population Profile

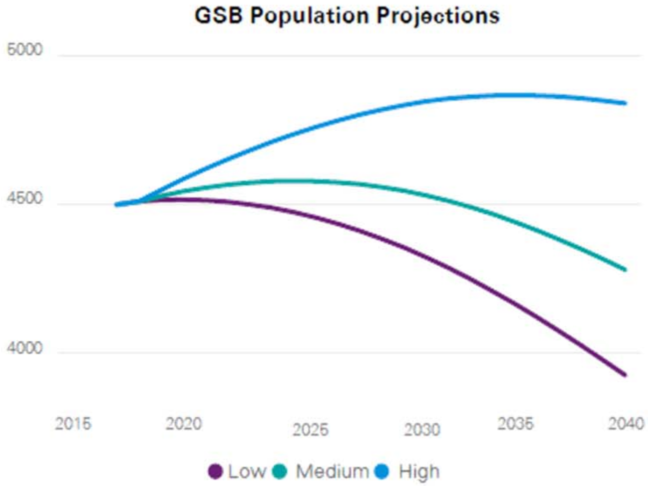


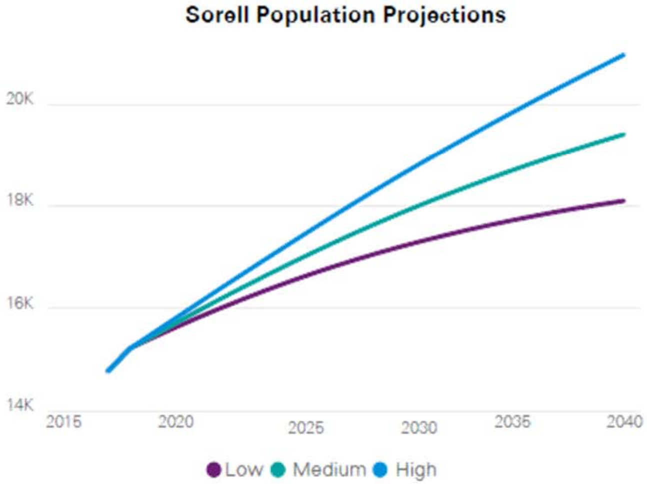
Source: Department of Treasury and Finance, accessed 03/02/2020, <https://www.treasury.tas.gov.au/economy/economic-data/2019-population-projections-for-tasmania-and-its-local-government-areas>.

Population forecasts

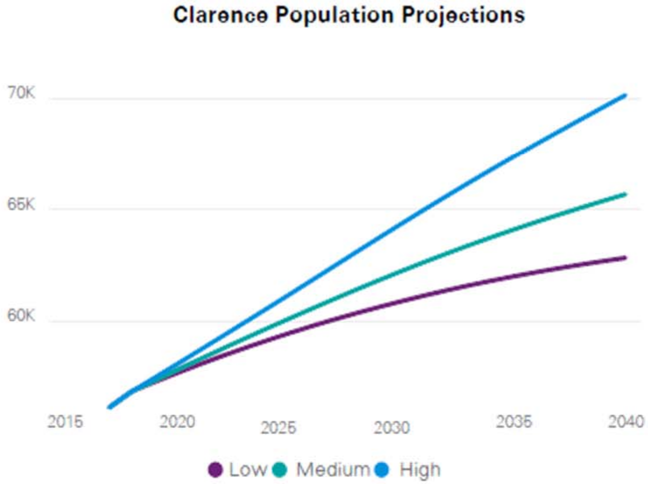


Tasman & GSB populations are projected to decrease.





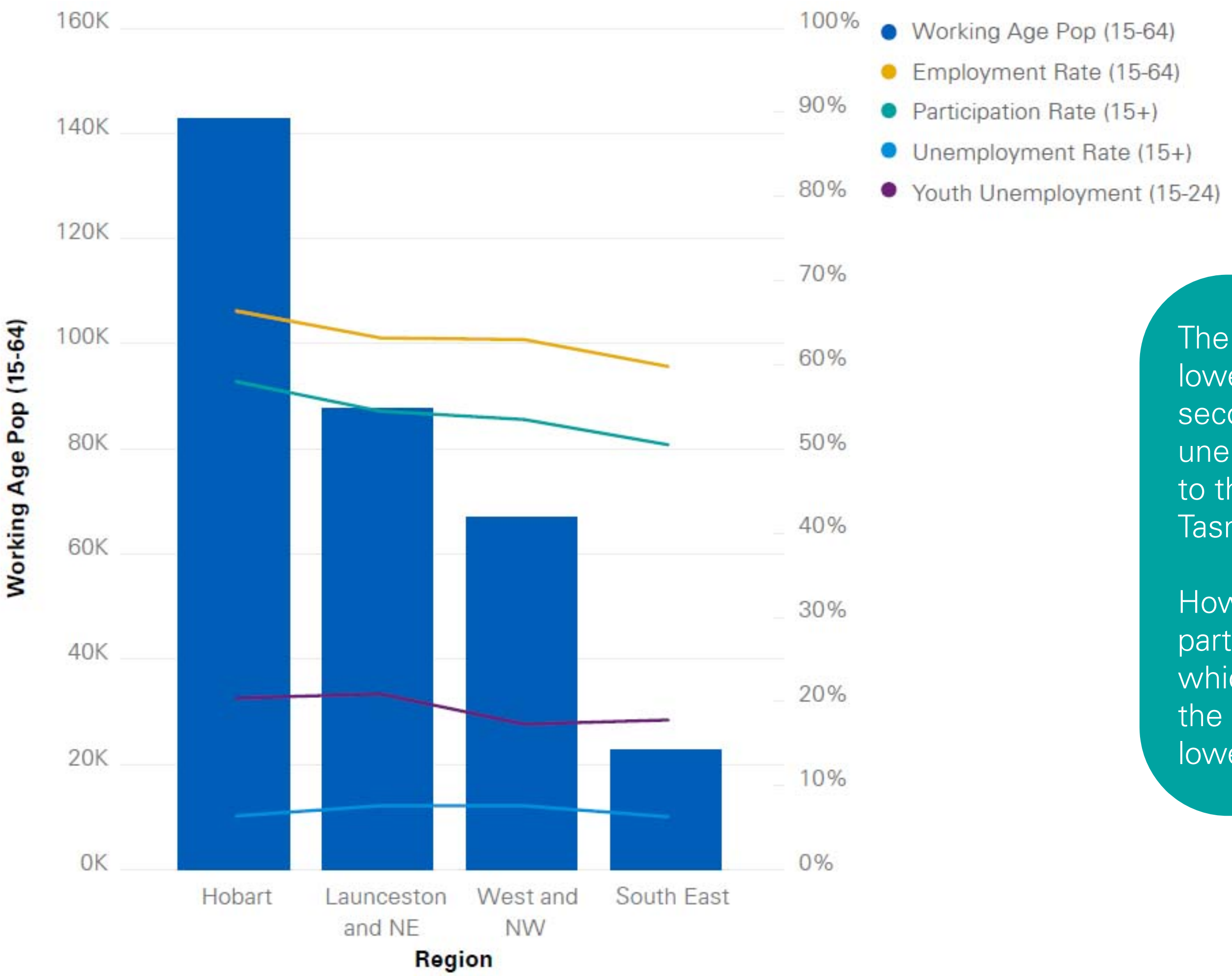
Clarence & Sorell populations are expected to increase.



Source: Department of Treasury and Finance, accessed 03/02/2020, <https://www.treasury.tas.gov.au/economy/economic-data/2019-population-projections-for-tasmania-and-its-local-government-areas>.

3.2 Labour force

Labour Force (1/2)



The south east region has the lowest unemployment rate and second lowest youth unemployment rate compared to the other regions of Tasmania.

However, it also has the lowest participation rate in the state which is partly responsible for the region also reporting the lowest employment rate.

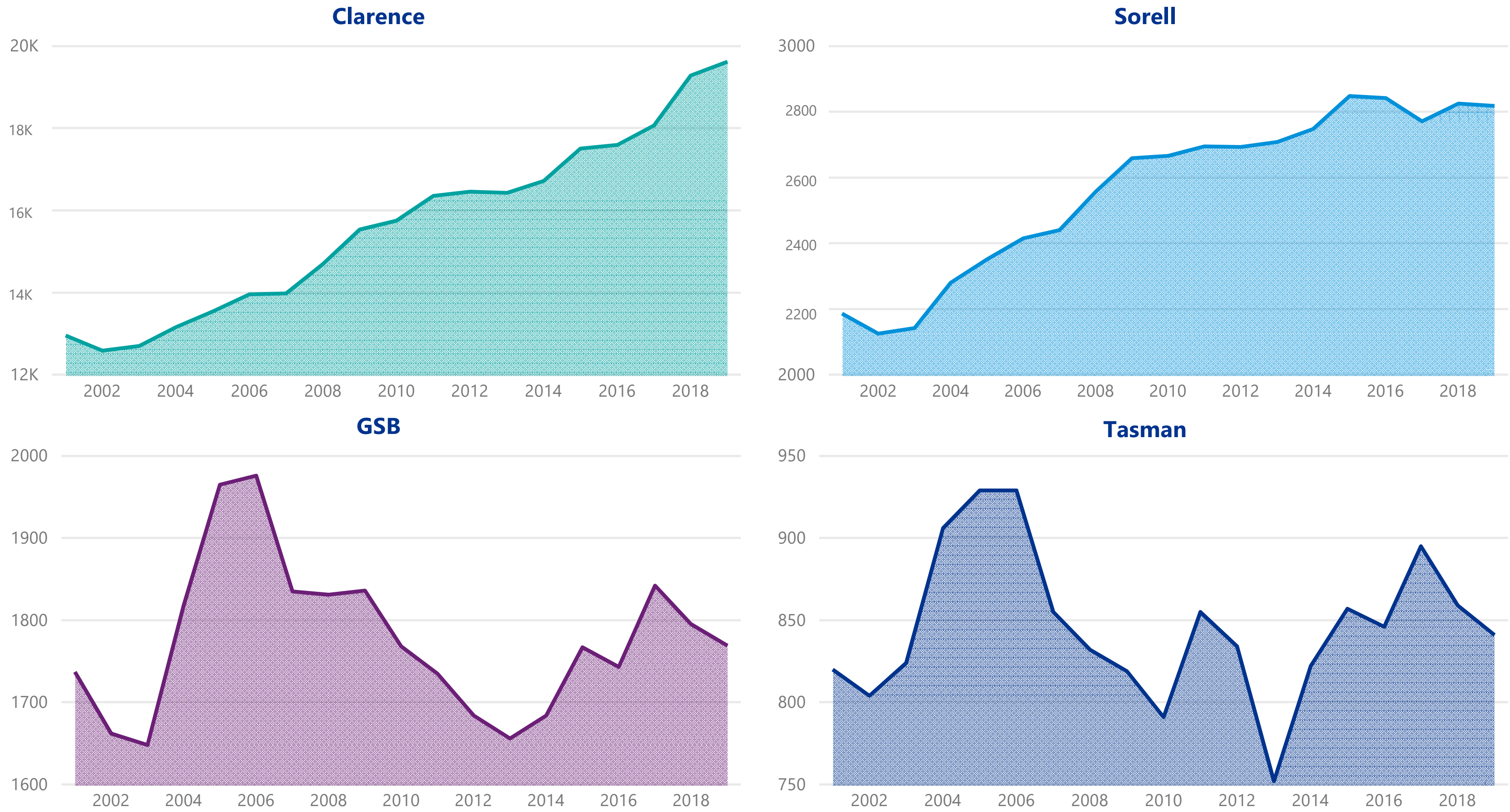
Source: ABS.Stat - Regional Statistics by LGA 2018, 2011-2018, accessed 03/02/2020.

Labour Force (2/2)

All council areas experienced an increased unemployment rate peaking in 2014-2015, indicative of a broader economic downturn at that time. However, the unemployment rate stabilised in the following years, having slightly increased in 2019 from 2018.

Source: ID Community, accessed 20/02/2020 <https://economy.id.com.au/tasmania/employed-residents>

Number of Local Jobs



Clarence and Sorell have been able to maintain a consistent growth in local jobs as more business continue to establish themselves (as demonstrated later in this report). Meanwhile, jobs in GSB and Tasman experienced a significant downward trend from its 2006 peak to its 2013 trough, however both regions have since experienced growth until another downturn in 2018.

Source: ID Community, accessed 20/02/2020 <https://economy.id.com.au/tasmania/local-jobs>

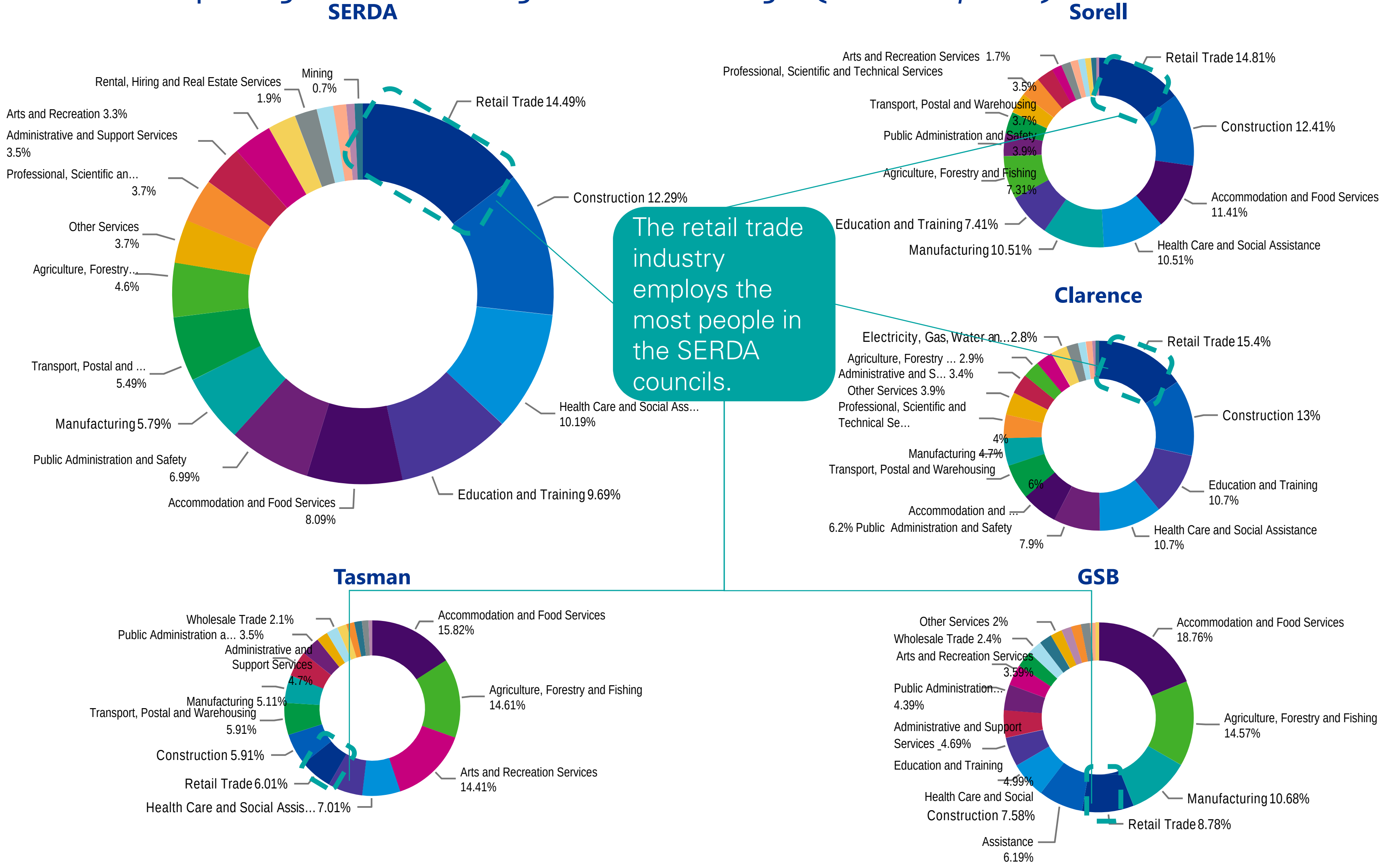
Wages by Occupation (from 2011-2016)

Region	Managers	Professionals	Technicians & trades workers	Community & personal service workers	Clerical & administrative workers	Sales workers	Machinery operators & drivers	Labourers	Other	Total
Tasman	11% ⇧	1% ⇧	40% ⇧	7% ⇩	26% ⇧	9% ⇩	44% ⇧	20% ⇧	48% ⇩	13% ⇧
	49,800	59,300	45,900	34,500	43,700	31,400	44,500	28,800	31,200	42,700
GSB	24% ⇧	9% ⇧	20% ⇧	17% ⇧	25% ⇧	4% ⇧	41% ⇧	2% ⇧	62% ⇧	16% ⇧
	49,900	59,900	47,600	38,800	41,900	32,500	49,200	31,100	49,100	43,100
Sorell	13% ⇧	6% ⇧	11% ⇧	10% ⇧	17% ⇧	16% ⇧	34% ⇧	7% ⇧	38% ⇧	14% ⇧
	51,600	62,700	43,800	34,400	39,100	28,700	47,500	30,800	44,100	42,100
Clarence	11% ⇧	9% ⇧	13% ⇧	12% ⇧	17% ⇧	9% ⇧	17% ⇧	16% ⇧	7% ⇧	11% ⇧
	66,400	70,200	52,400	43,700	48,500	30,800	45,900	33,400	53,800	50,200
SERDA	13% ⇧	8% ⇧	14% ⇧	12% ⇧	17% ⇧	10% ⇧	22% ⇧	13% ⇧	11% ⇧	12% ⇧
	61,300	68,800	50,900	42,200	47,100	30,600	46,300	32,400	52,300	48,400
Tasmania	12% ⇧	10% ⇧	13% ⇧	14% ⇧	16% ⇧	11% ⇧	13% ⇧	12% ⇧	.4% ⇧	11% ⇧
	64,000	69,800	51,200	39,200	49,900	32,300	51,100	35,000	48,600	50,800

Overall wages have increased in every SERDA area since 2011. Wages in all occupations have also increased, however in Tasman, wages dropped for community and personal services workers, sales workers and 'other' workers. The largest increase in SERDA overall was experienced in machinery operators (22%), driven by high growth in Tasman (44%) and GSB (41%). The highest paid occupation is the 'Professionals' field ($68,800), whereas Clarence ($70,200) workers received the highest average wage recorded in the SERDA area.

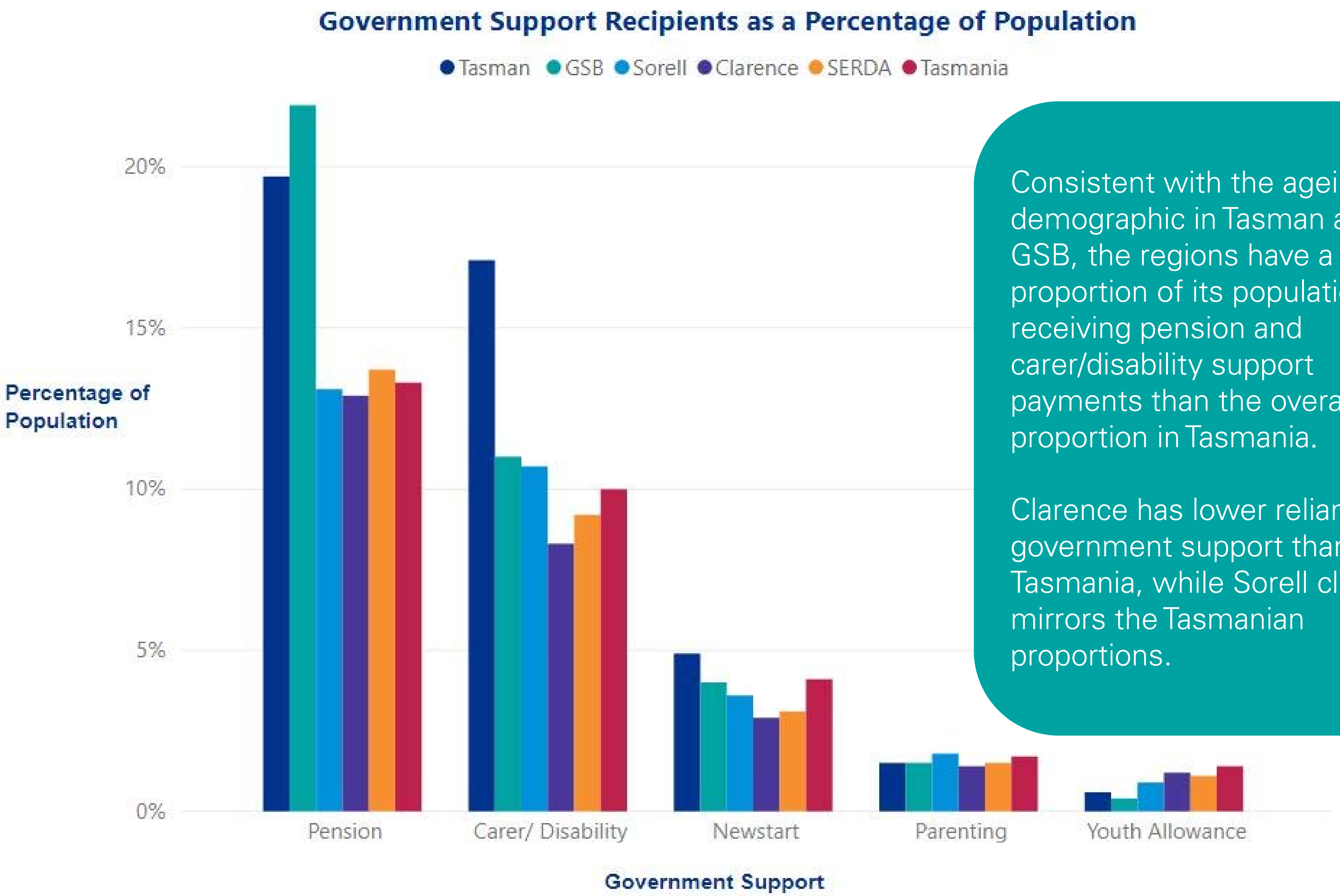
Source: ABS - 2016 Census of Population and Housing (Table W16), accessed 03/02/2020.

Employment by Industry (2017/18)



Source: ID Community, accessed 16/12/2019 <https://economy.id.com.au/tasmania/employment-by-industry>

Government Support Payments

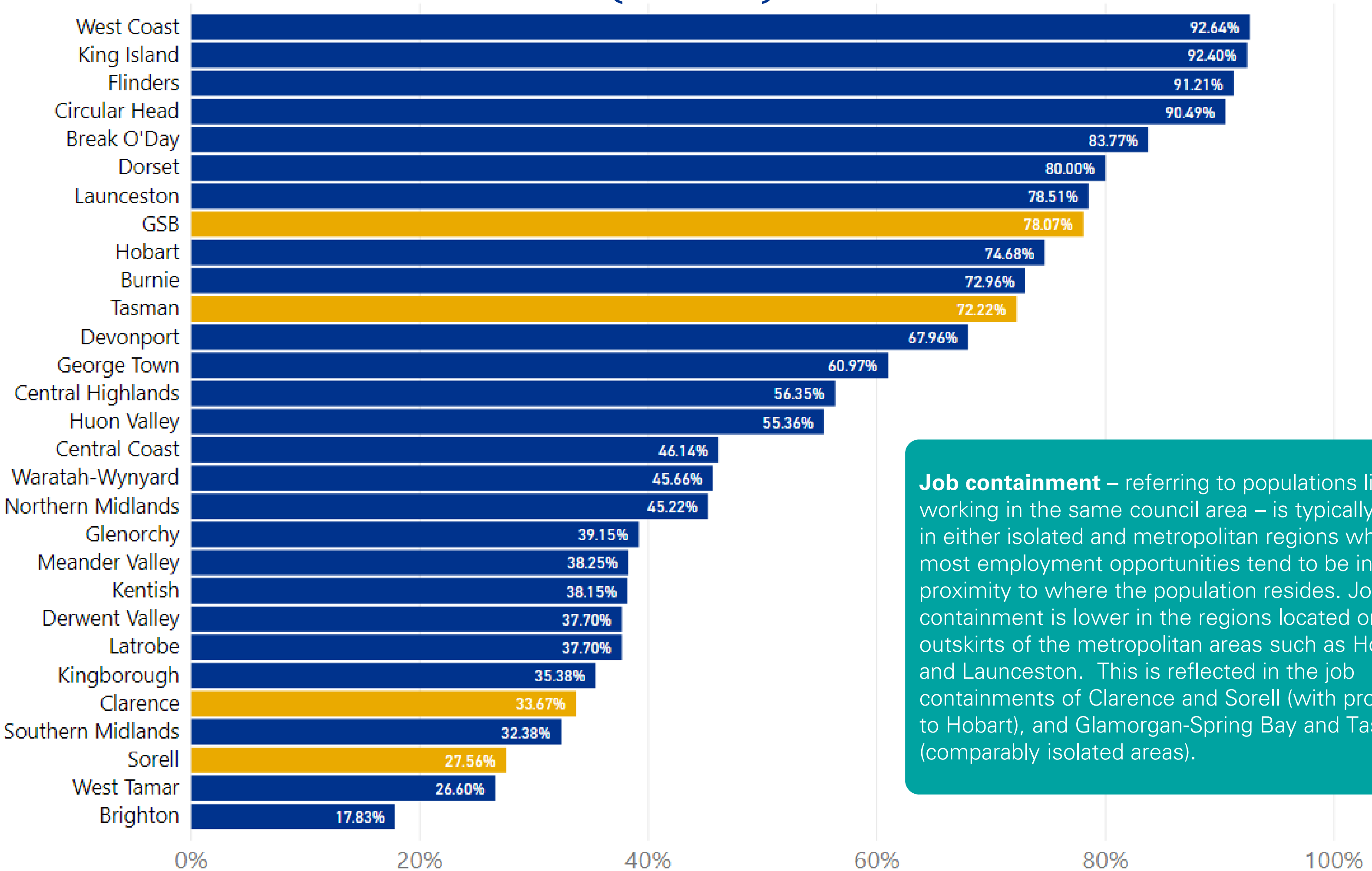


Consistent with the ageing demographic in Tasman and GSB, the regions have a higher proportion of its population receiving pension and carer/disability support payments than the overall proportion in Tasmania.

Clarence has lower reliance on government support than Tasmania, while Sorell closely mirrors the Tasmanian proportions.

Source: ABS.Stat - Regional Statistics by LGA 2018, 2011-2018, accessed 03/02/2020.

Job Containment (2016)



Job containment – referring to populations living and working in the same council area – is typically higher in either isolated and metropolitan regions where most employment opportunities tend to be in close proximity to where the population resides. Job containment is lower in the regions located on the outskirts of the metropolitan areas such as Hobart and Launceston. This is reflected in the job containments of Clarence and Sorell (with proximity to Hobart), and Glamorgan-Spring Bay and Tasman (comparably isolated areas).

Source: ID Community, accessed 02/03/2020 <https://economy.id.com.au/tasmania/employed-locally>

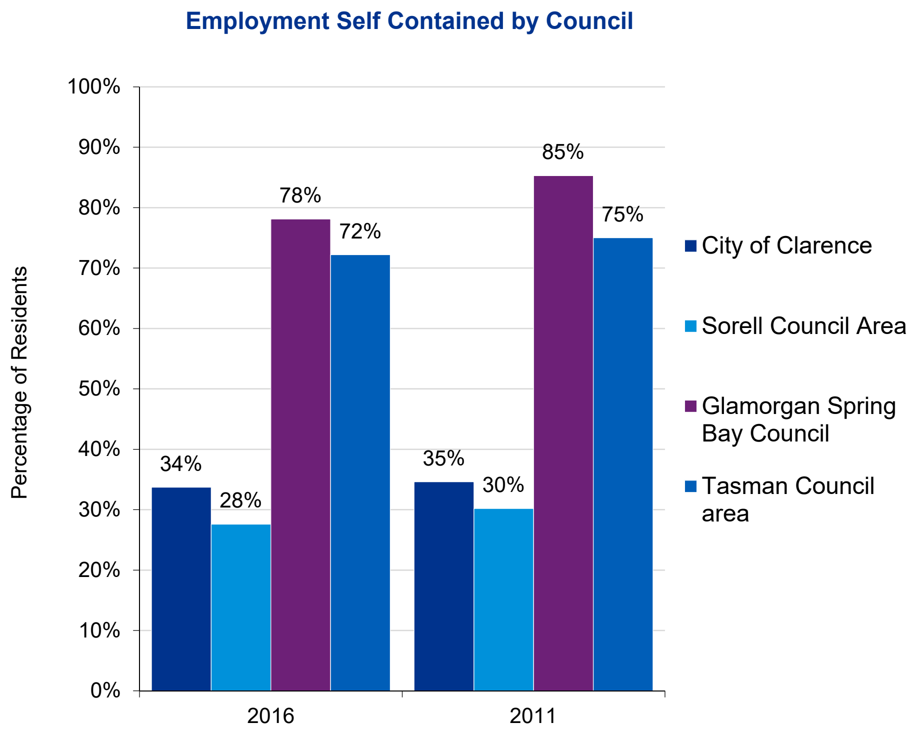
Job Containment (2011-2016)

Tasman Council - Arts and Recreation Services, 'Industry not classified' & wholesale trade all displayed 100% local employment of residents. Accommodation and Food Services followed closely with 97.2% employed within the Municipality. Accommodation and Food Services (108) and Agriculture, Forestry and Fishing (121) displayed the highest 'Total Resident Workers' within the Municipality.

City of Clarence - Rental, Hiring and Real Estate Services (49%), Agriculture, Forestry and Fishing (44.9%) and Retail Trade (44.8) reported as the top 3 highest resident local employment industries.

Sorell Council - Agriculture, Forestry and Fishing (56.6%), Accommodation and Food Services (49.5%) and Retail Trade (38.5%) reported as the top 3 highest resident local employment industries. Health Care and Social Assistance was the largest industry by resident workers (3,482), but displayed only 26.6% of employment within the municipality, suggesting a large proportion of residents travel into Hobart for work.

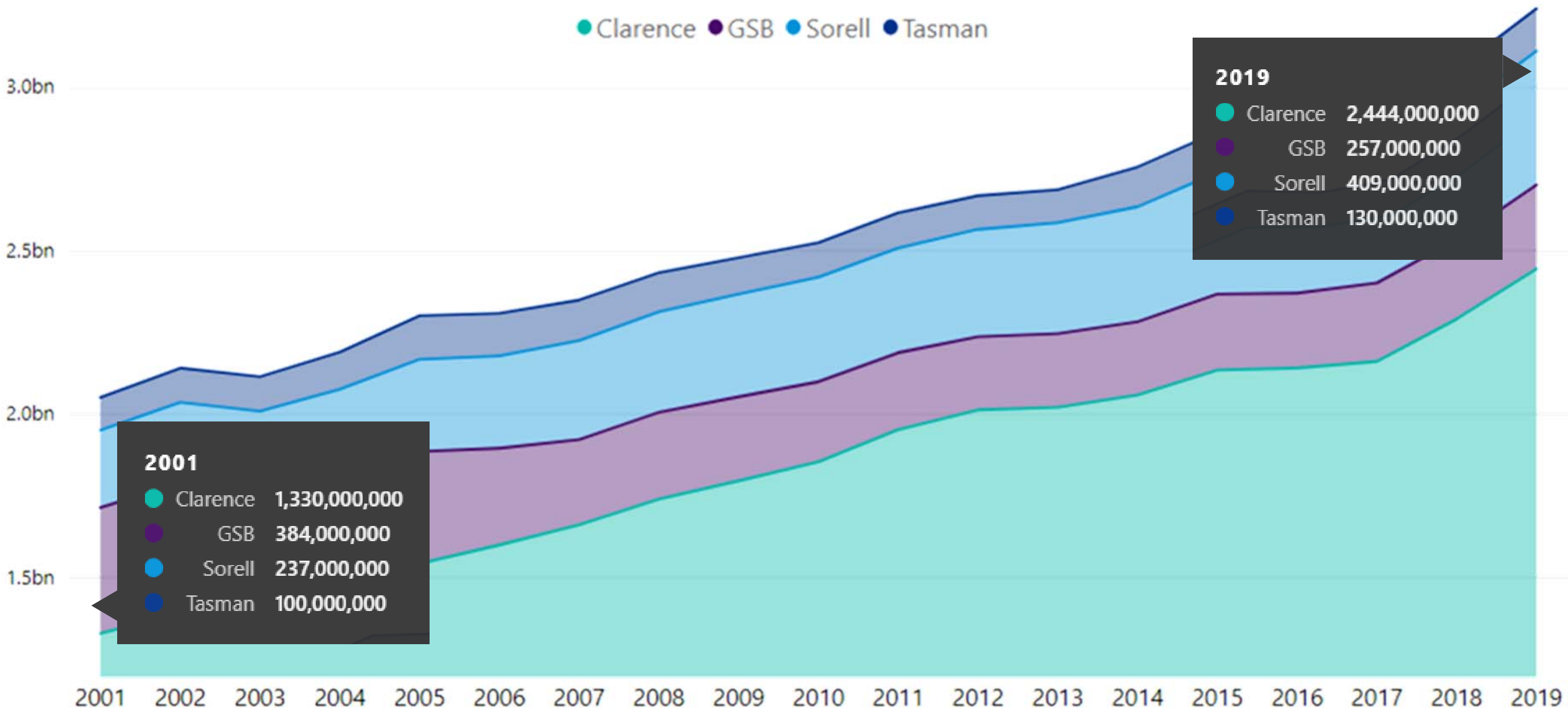
Glamorgan Spring Bay Council - Information Media and Telecommunications (100% but with a population of 3), Accommodation and Food Services (96.7%) and Manufacturing (93.6%) reported as the top three. With Accommodation and Food Services having by far the highest total resident workers at 302.



Job containment – has deteriorated between 2011 and 2016 for all four SERDA Councils, indicating fewer residents are both residing in and employed in these local government areas.

3.3 Industry and business

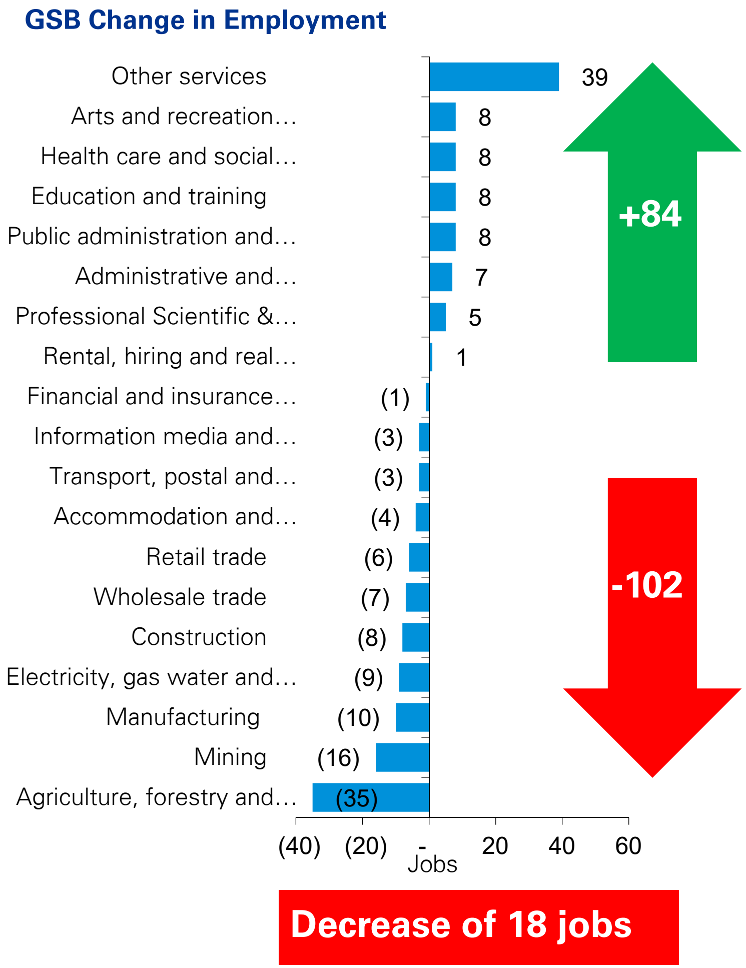
SERDA Gross Regional Product

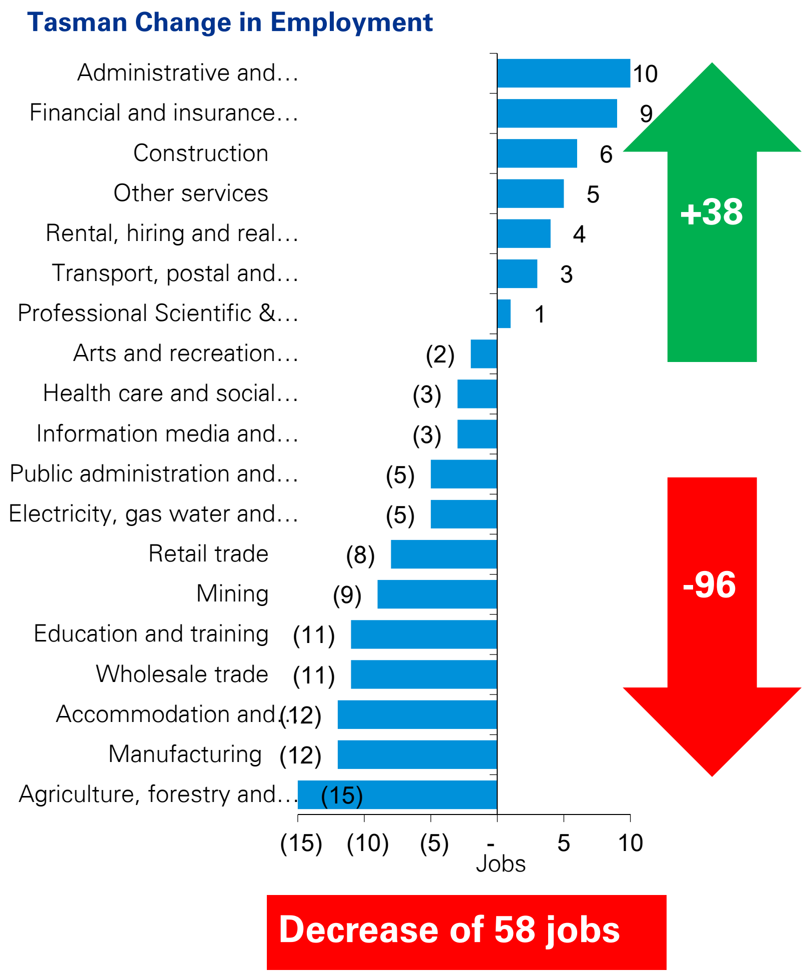


Source: ID Community, accessed 20/02/2020, <https://economy.id.com.au/tasmania/gross-regional-product>

The Gross Regional Product for Clarence, Sorell and Tasman has increased by 84%, 73% and 30% respectively since 2001 (years ending 30 June). However, the GRP for Glamorgan Spring Bay has decreased from $384M to $257M (33%) since 2001 due to year-on-year decreases between 2003-2012, roughly correlating to the decline in jobs in the area during this time. The Clarence City Council area produced approximately 75% of the total SERDA GRP for the year ending 30 June 2019, closely mirroring its population proportion (72%) of the SERDA region.

Occupation and Industry Profile 2011-2016 (1/2)

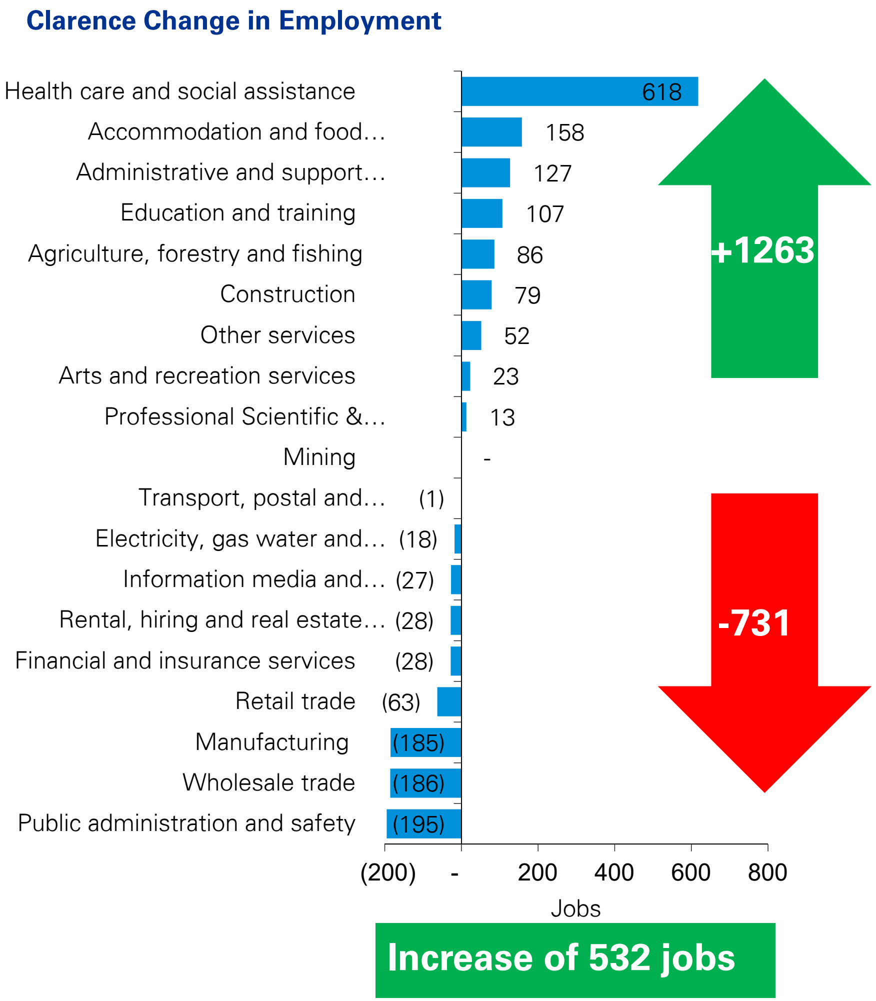


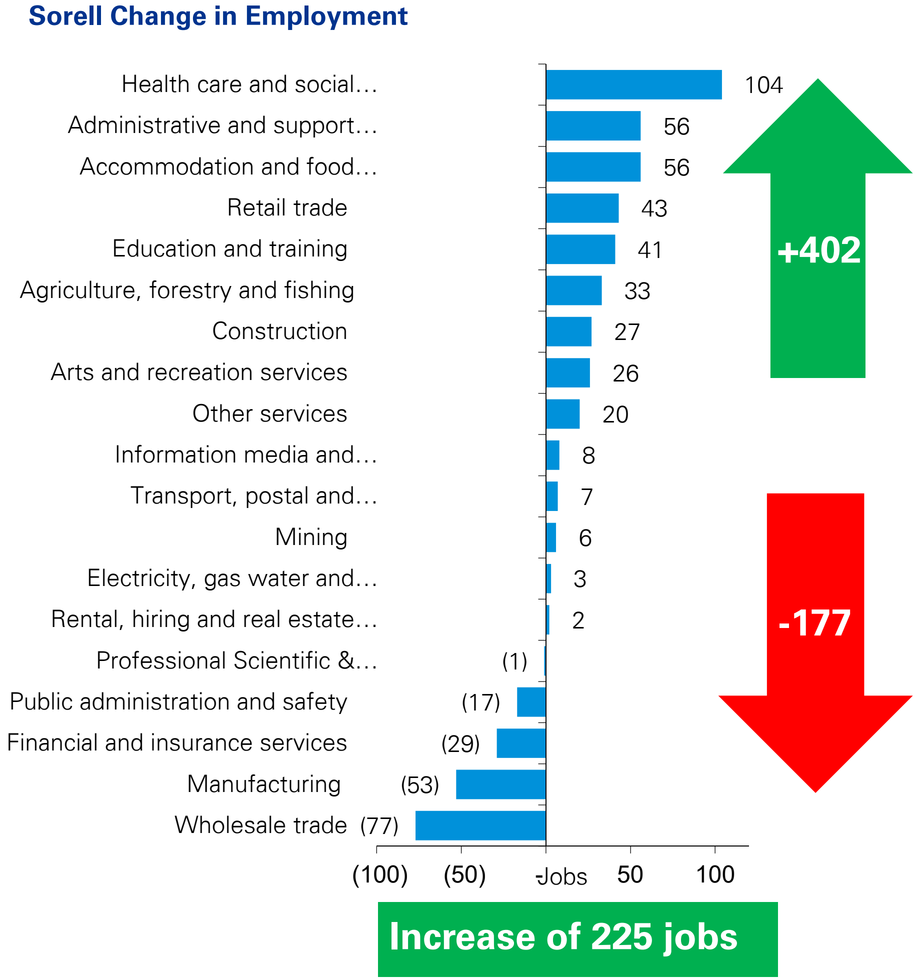


Source: ABS.Stat - T34 Industry of employment by sex (LGA), accessed 24/01/2020

Source: ABS 2016 Census of Population and Housing (Table W09), accessed 24/01/2020

Occupation and Industry Profile 2011-2016 (2/2)





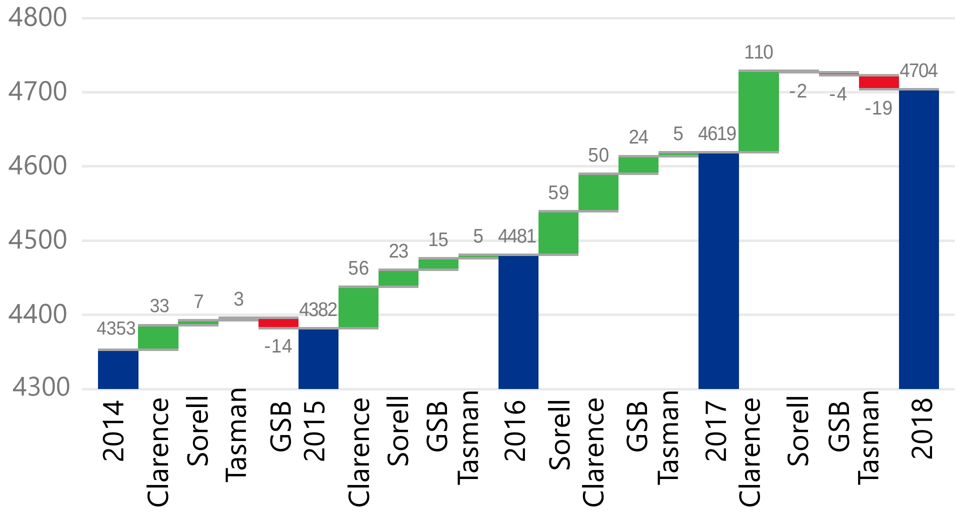
Source: ABS.Stat - T34 Industry of employment by sex (LGA), accessed 24/01/2020

Source: ABS General Community Profiles – Table W09, accessed 24/01/2020

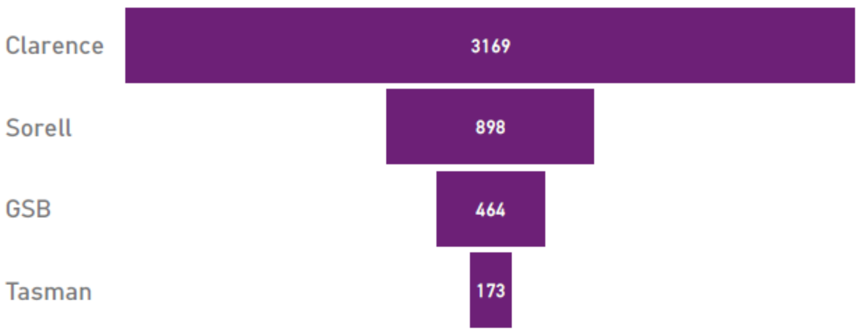
SERDA Businesses

Source: economy.id.com.au – Number of Businesses by industry, accessed 17/12/2019

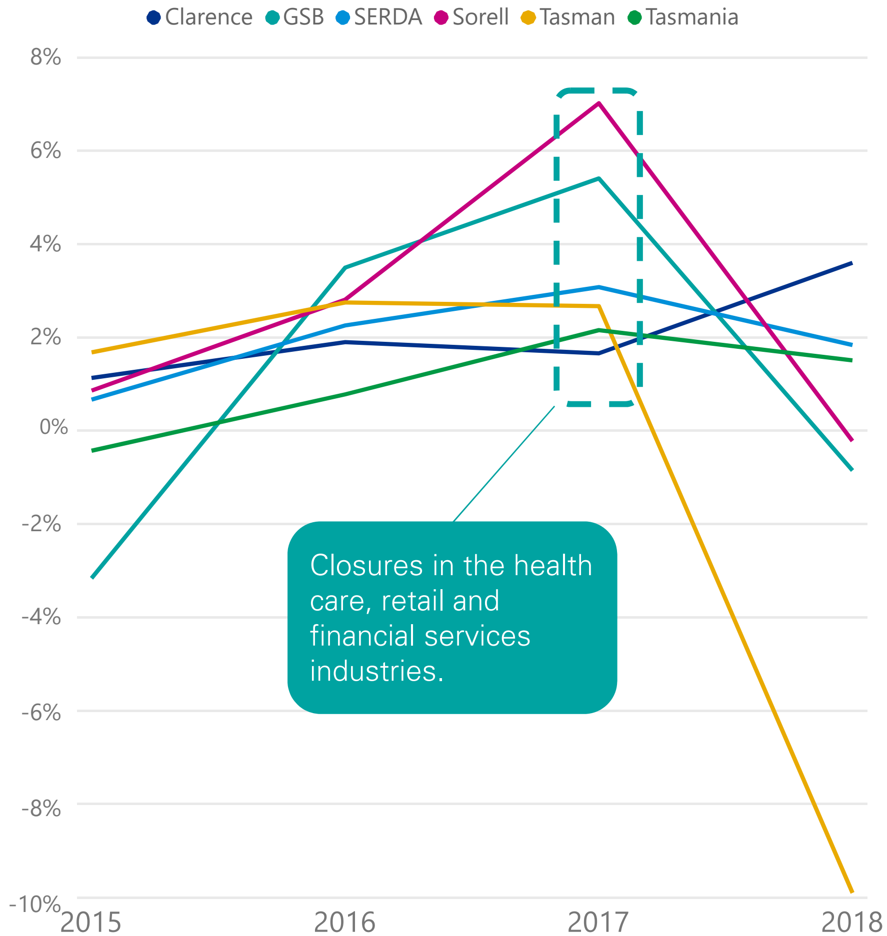
SERDA: Change in Number of Businesses



2018: Number of Businesses



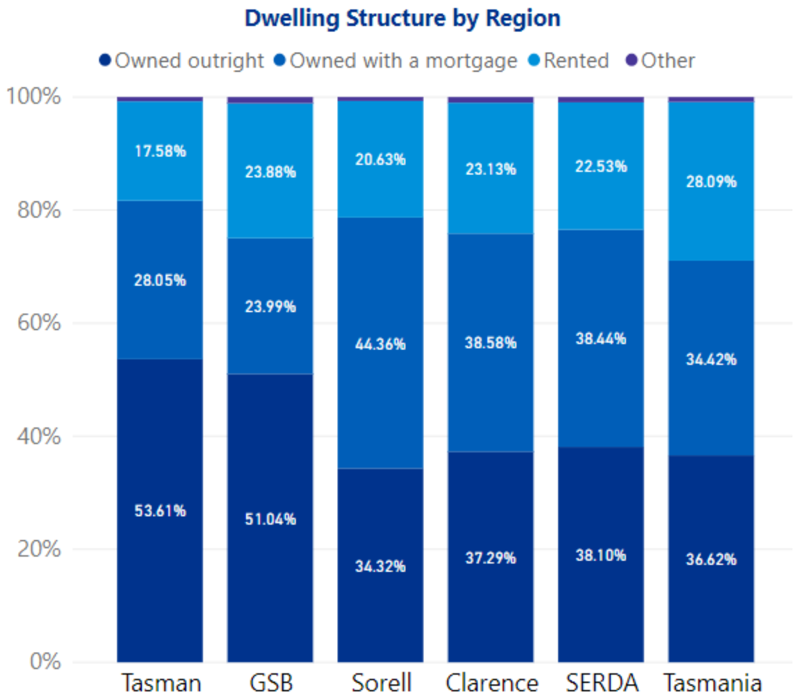
Business Growth %

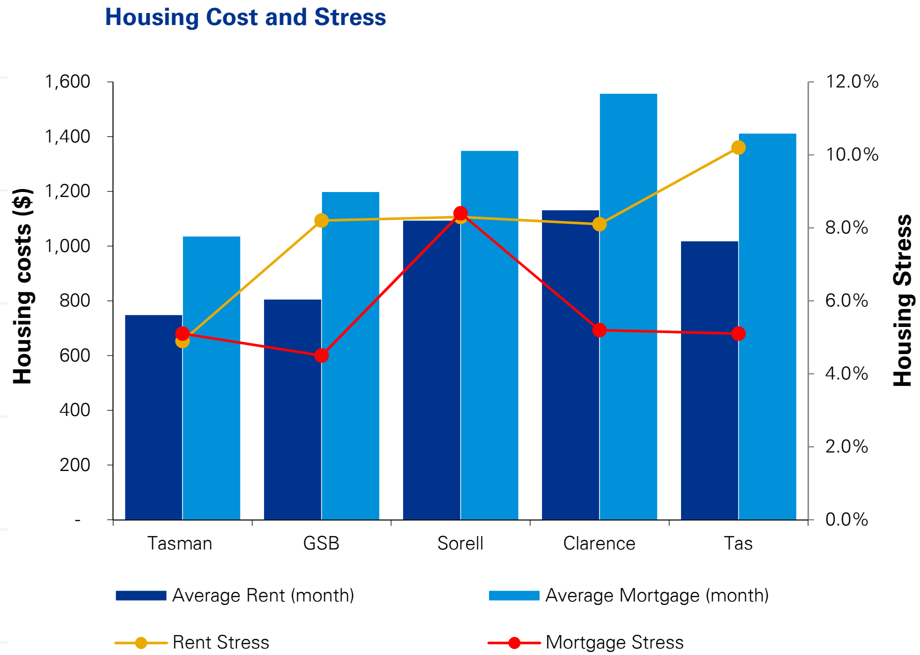


The number of business established in the SERDA regions has increased by 8.1% since 2014. However in 2018 Sorell, Tasman and GSB all experienced a loss in total businesses (25 overall) whilst Clarence experienced its largest growth in recent years (110). This would indicate the broader economic base that exists in Clarence compared to the other SERDA councils, making Clarence potentially more immune to economic cycles.

3.4 Housing

Housing Profile (1/2)



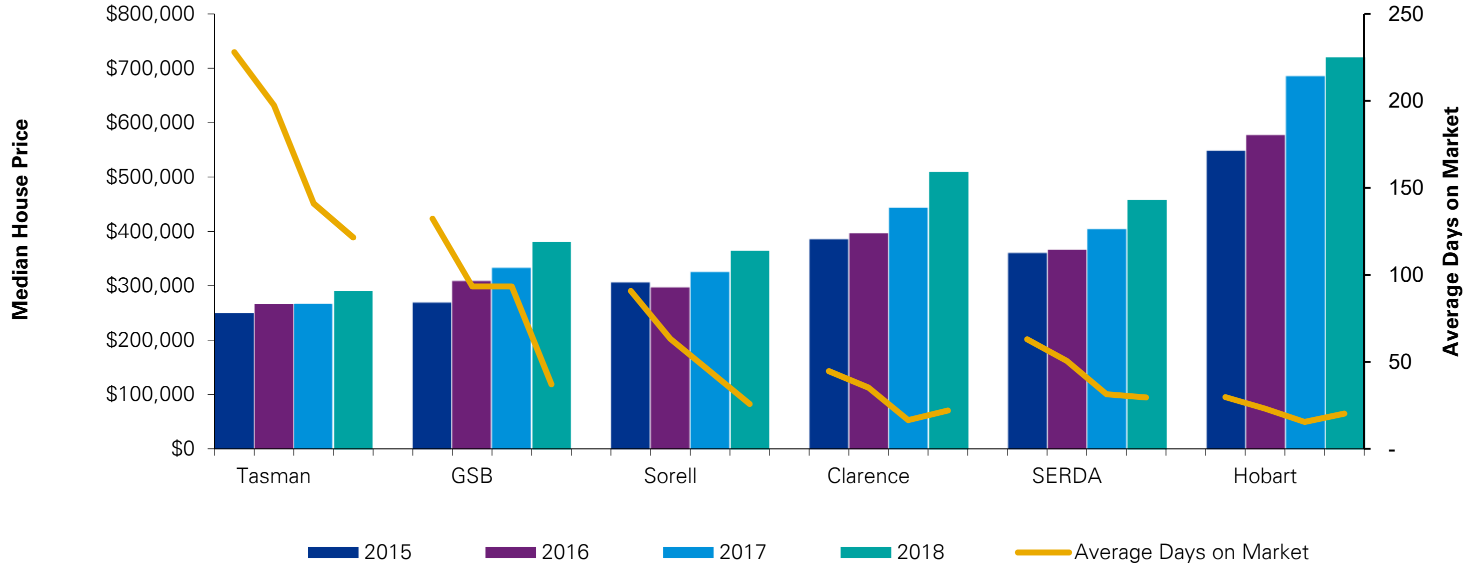


Source: Real Estate Institute of Tasmania, accessed 02/12/2019, <https://reit.com.au/market-facts/suburb-reports/>

The Tasman and GSB regions have higher proportions of residents who own their house outright, as well as lower rental and mortgage stress than Tasmania overall. Clarence have higher average mortgage and rent costs but are supplemented by higher average wages as described in previous slides. However, given the average wage in Sorell is approximately 20% lower than Clarence (comparable to Tasman and GSB), residents have lower capacity to service mortgages. Given Sorell has a higher proportion of residents who own a house supported by a mortgage than Clarence, it follows that mortgage stress is higher in Sorell.

Housing Profile (2/2)

Median Price of Houses Sold by Region



Source: Real Estate Institute of Tasmania, accessed 02/12/2019, <https://reit.com.au/market-facts/suburb-reports/>

Consistent with the recent housing boom, median house prices have increased for all south east local government areas from 2015 to 2018. The average days spent on the market has also decreased during this time, where houses in Hobart are sold for the highest amounts in the shortest periods of time.

4. What's been going on in the sectors?

What other changes in key sectors in the south east region have occurred since 2015 and what else is happening in the foreseeable future?

Tourism

Matters raised in discussions - Destination South & East Coast Tourism

Sector forces and trends

- Tourism Tasmania's 2030 strategy aims to grow visitor numbers from 1.5 million to 2 million at a Compound Annual Growth Rate (CAGR) of 3.5%. This is not unrealistic. The strategy going forward is to increase length of stay and spending (yield) rather than just keep growing numbers.
- International flights of say three large planes per week would increase visitor numbers by 50,000 p.a. maybe a regional airport in St Helens could ease some need to travel on the roads.
- Additional Spirit capacity will lead to more RVs and scope for greater dispersal e.g. 36% of Dover visitors come off the Spirit.
- The two new Spirit vessels will provide a 40-45% increase in capacity for tourists and freight. A further 1,500 hotel rooms in Hobart will feed visitors to the south east.
- The south east is overwhelmed for peak visitor period. There are capacity issues that need to be addressed by dispersion and off-peak strategies.
- Cruise ship numbers have grown over the last 3-4 years but are expected to remain stable at around 60-70 over coming years.
- Climate change, drought, fire and coastal inundation will be high priorities for councils and critical to tourism sector.

Infrastructure challenges

- Communications are still not good enough for locals and visitors. 15 more Optus stations by 2020 may help, but likely that more will need to be done.
- Much more attention will need to be given to infrastructure to support both visitors and locals. Water, sewerage, community amenities and social support infrastructure need to also respond to growing visitor demand.
- Agri-tourism is on the rise in the south east and so water supply and irrigation are essential infrastructure to support the sector. Desalination plants could be looked at as a longer term solution.
- Road quality and safety remain a high priority for the sector given the propensity of visitor to want to travel around Tasmania. The south east remains a priority. Swansea to Bicheno is a priority. Given no rail or air, visitors have to travel by car or bus and bus services are inadequate.
- An adequately skilled labour supply is critical to support tourism growth. Education and training services and facilities are needed to support the 5-10,000 additional jobs being forecast in the 2030 strategy.
- Access to land on the east coast is held tightly and impedes construction of dwelling for workers in the region, and drives up rents. Workers are generally not well paid in this sector so sourcing accommodation is challenging.

Matters raised in discussions - Destination South & East Coast Tourism

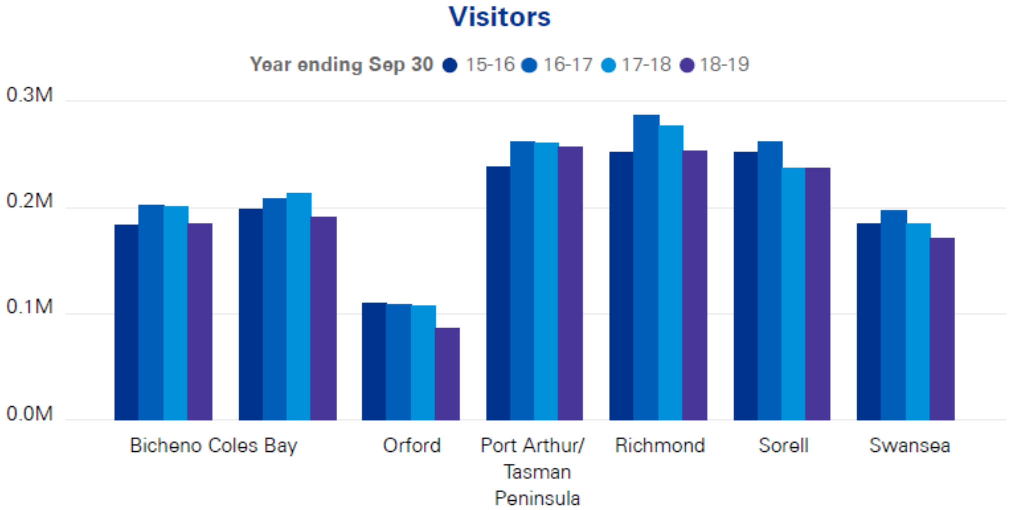
Sector forces and trends

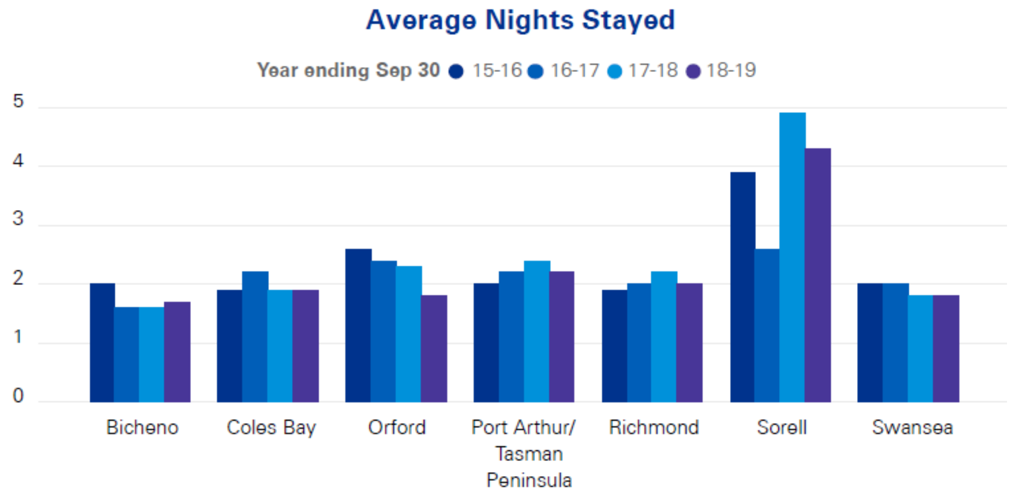
- Visitor numbers have increased from 253,000 in 2013/14 to 357,000 in 2018-19. This rise may have plateaued a little for now but will continue to trend up in line with 2030 visitor projections.
- The recent upgrade to the Port Arthur Visitor Centre has expanded the footprint by 50%, especially in bistro, food/ beverage services. Car parking was not increased due to budget, but this is an issue for 8 weeks per year.
- More visitors are travelling with motor homes, which are not so well suited to the tighter and narrower roads and need improved amenities.
- More visitors are also travelling to the Tasman and increasing traffic on the Arthur Highway.
- The Three Capes Track has had a major impact on the region. Around 40% of walkers stay the night before or the night of completion. This has put some pressure on accommodation in the region.
- In the longer term, consideration will need to be given to servicing electric vehicles, increased helicopter and seaplane access, a ferry from Nubeena to Hobart, managing environmental sustainability and the risk of one road in/out.

Infrastructure challenges

- Key pressure points are car parks and amenities/ public conveniences. Bus services to the Tasman Peninsula (other than tourist coaches) are inadequate. There is an over reliance on fly-drive.
- Developments on the horizon that could change things for the Port Arthur Historic Site (PAHS) include the Federal 3.5-4 star hotel and the Dunalley Marina.
- PAHS water and sewerage is under significant strain during peak seasons/ periods of the day. Strategies to change visitor travelling patterns to make greater use of non-peak periods will be important to smooth out demand.
- PAHS is hoping TasWater will take over the water and sewerage. The current arrangement is unsustainable and will require expansion to cope. This will be considered after October 2020 moratorium.
- The Arthur Highway is under greater strain with more driver, motor homes, inexperienced drivers, and logging of plantations on the Tasman Peninsula. Upgrades and overtaking lanes are essential for safety.
- Energy to PAHS is sufficient, but communications remain an issue both on the Arthur Highway and at the site. The roll-out of mapping/ apps etc. at PAHS is constrained by connectivity. Visitors now expect this service.
- Community infrastructure needs to expand. Health care in the region is at crisis levels with no local dental, over demand for local GP, ageing population. More child care is need to attract staff along with affordable rental homes.

Tourism





Source: http://www.tvsanalyser.com.au/ accessed 13/02/2020

From the townships listed, visitor numbers and average nights stayed saw a decrease in the year ending September 31 2019 compared to the year before.

Sorell more broadly, presumably including the Southern Beaches is the most popular destination to stay overnight, whilst Richmond & Port Arthur are the most visited destinations.

Tourism #1

Many projects are still on the drawing boards…

	Foreseeable projects	Current Status	Horizon	Key points
1	New Federal accommodation at Port Arthur			• Still under negotiations • Development application not yet submitted
2	New accommodation to replace site taken over by Federal (e.g. Bush Mill site)			• No progress has occurred
3	Remarkable Lodge at Crescent Bay			• Approved and close to going to tender • Approximately $25M investment • Adjacent to lodge is an eight bedroom retreat recently approved (not built) • Timing will be impacted by Kangaroo Island fires…same owner/ developer
4	Spring Bay residential and eco-tourism developments (former SOLIS)			• Some work behind the scenes to progress development • Proponents seeking government/ TasWater support to facilitate the provision of a trunk sewerage main to Orford
5	Spring Bay Golf Course			• Linked to the Spring Bay residential/ eco-tourism developments but no progress at this stage

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing **I'm new**

= Not progressed = Underway = Well advanced = Completed

Tourism #2

Many projects are still on the drawing boards…

	Foreseeable projects	Current Status	Horizon	Key points
9	Triabunna: • Marina extension & Boatel 40 unit plan • Spring Bay Mill redevelopment	Well advanced	5 - 10 years	• Marina extension planning is progressing. Boatel not completed. • Spring Bay Mill now opening
10	Pirates Bay Visitor Zone Eaglehawk Neck	Underway	Ongoing	• The visitor zone is progressing
I'm new 11	Rosny Hill accommodation development	Underway	2 - 5 years	• Modified reduced design • Awaiting Development Approval, now pending appeal
I'm new 12	Kangaroo Bay Hotel and Training development	Underway	2 - 5 years	• Negotiations still progressing with proponent and UTAS to include high-end hospitality training
I'm new 13	Freycinet Lodge	Well advanced	2 - 5 years	• Freycinet Lodge development containing 40 rooms
I'm new 14	Freycinet Peninsula Visitor Centre	Underway	1 - 2 years	• Partly funded and proceeding with Stage 1, with connecting infrastructure
I'm new 15	Dunalley Marina including visitor accommodation and related services	Underway	2 - 5 years	• Expression of Interest process being conducted to appoint a preferred developer

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing **I'm new**

= Not progressed = Underway = Well advanced = Completed

Agriculture, aquaculture & fisheries

Matters raised in discussions- Agriculture

Sector forces and trends

- Climate change is now having a real impact and causing some east coast farmers to change from their former established products to new more drought tolerant produce that suit warmer conditions.
- In Swansea, records show that between 1880 -1960, there were only 2 years of rainfall below 400 mm. Between1960 -2000, 1 in 7 years was below 400mm. From 2001-2018, 1 in 2.5 years has been below 400 mm.
- The demographics of the east coast region are changing, with fewer children and more retirees. Working age adults are leaving the region to find more stable work. The Swansea School is down to 50 kids. Similar issues are being experienced in the Tasman region.
- Roads on the east coast could be improved. They are still very winding and narrow in places and so not safe for agricultural vehicles to share with growing tourist numbers.
- There has been some growth in visitation during the traditional off-peaks seasons, through to April. However, there are still distinct busy periods over summer that put all the east coast's infrastructure (roads, water, sewer etc.) under strain.

Infrastructure challenges

- The Swan Irrigation Scheme is good for the region, but is more geared towards viticulture due to the cost of water. Many private landowners have invested in creating dams rather than rely on the Scheme.
- Towns have not typically been put on water restrictions but areas outside town face water restrictions. Towns people need to be better educated to value this resource more highly.
- Connectivity for phones/ internet remains an issue especially outside the main population centres. This is worse in the peak holiday seasons.
- The east coast is generally well served by social infrastructure for much of the year for residents. However, health care, council facilities etc. are also strained over the peak visitor season.
- Sourcing housing is an issue for employees. Too many homes have been converted from long term rental to AirBnB style visitor accommodation. This has affected the region's ability to attract backpackers and other workers for the picking and tourism seasons.

Matters raised in discussions- Aquaculture

Sector forces and trends

- The salmon industry's current economic contribution to Tasmania is around $1B, with a joint industry/ government goal to expand this to $2B by 2030. The industry accounts for around 11,500 direct and indirect jobs, many in rural areas and most are permanent and full-time.
- Demand for salmon is growing at 7-10% p.a. as consumers are increasingly looking for more health and sustainable protein sources. Inferior imported products are now supplying unmet demand, causing the Tasmania producers to lose market share.
- The two main challenges facing the industry are expanding production to meet increasing demand and the increasing costs to produce salmon in Tasmania.
- Due to the constrained production environment, producers are looking to more costly alternatives including land based and more remote wild water locations.
- Due to the challenges to expand in Tasmania, the industry is looking to migrate and diversify into other species e.g. Tassal has established a Prawn farming venture in Queensland, Huon Aquaculture is into Kingfish in South Australia.

Infrastructure challenges

- The State Salmon Plan currently renders most Tasmanian coastal waters unavailable for salmon production.
- Pressure points facing the industry are availability of new farming sites, lengthy approval timelines, conflict between on-water operations and local communities, increased compliance and bio-security costs, energy costs.
- The supply chain, from land to sea and back to land for processing and distribution requires the integration of infrastructure. State planning laws can be frustrating to the industry and delay development.
- Other particular infrastructure issues facing the industry are fresh water supply and the quality of roads in some of the more rural/ remote locations. E.g. Surges Bay Bridge downgrade (Huon Valley).
- Securing a sustainable and cost effective water supply to the Triabunna fish waste processing facility is an example of how such infrastructure can underpin development in rural locations and support 15-20 local jobs.
- The industry requires a shared political/ community/ industry vision, followed by a settled policy and regulatory environment and modified state zoning laws to allow the development of aquaculture hubs that support both land and sea based expansion.

Matters raised in discussions- Fisheries

Sector forces and trends

- The rock lobster fleet has reduced from around 220-165 state-wide and further reduction is expected There are now only around 20-25 vessels working out of Triabunna, Dunalley, Eaglehawk Neck, Port Arthur and Nubeena.
- The Rock Lobster East Coast Stock Rebuilding Strategy and quota management is limiting industry growth and increasing the focus on efficiency and commercial catch rates.
- The scale fish sector (calamari, wrasse and banded morwong) is stable with no foreseeable change to quotas. This fishery attracts around 40-50 smaller commercial vessels in the south east.
- The oyster/ shellfish sector is fairly stable, with activity in Great Oyster Bay, Dunalley and Taranna. Most farms are at maximum capacity having recovered from Pacific Oyster Mortality Syndrome (POMS). Unless more leases become available, the sector will be stable.
- There is some restructuring within oyster/ shellfish sector the sector, Shellfish Culture is buying up smaller family businesses. Growers are now looking to fully grow oysters for market rather than on-sell sell as oyster spat.
- For Abalone, there has been a 20% quota cut and a zero allowable catch put in place for 2020 on the east coast. A mobile fleet of about 80 vessels service this fishery.

Infrastructure challenges

- Infrastructure needed to support the fisheries industry is generally adequate. MAST has a program of ongoing upgrades to jetties, boat ramps etc. which is meeting industry needs, albeit parking remains an issue at some popular locations.
- Failing septic tanks due to overload now that many shacks are now AirBnB visitor accommodation remains a major risk for the industry. A mandatory 21 day business closure must follow any sewerage spill or detection of e-coli. Bio-security is a key industry priority, due to the warming marine environment and greater mobility of the ageing grey nomads and tourists more generally.
- Direct international flights to overseas markets China is seen as a great opportunity for the fisheries industry. This will decrease tie to market and reduce transport risks and delays. The commercial precinct infrastructure development plans at the Airport will play an important role in supporting this opportunity.
- A lack of local fish processors (including in Tasmania) results in the majority of seafood being sent to Victoria for processing.
- A lack of local freezing facilities and freight and hold costs is an issue for some fishing industry sectors. Improvements in this area would result in under-caught fish species being harvested.

Agriculture

Some new or expanded projects have come to the south east region…

	Foreseeable projects	Current Status	Horizon	Key points
1	Pinata Farms expansion in Sorell	Well advanced	1 - 2 years	• Generating 10 construction jobs, 15-20 full time and 80 seasonal jobs
2	Fogarty Group (southern) expanding the Jansz Winery	Well advanced	1 - 2 years	• Vineyards – pickers and primers generating 3 full time and 15-20 seasonal jobs
3	Cherry Cot orchards expansion (formerly Q-Orchards)	Well advanced	2 - 5 years	• Around 15 jobs arising through the expansion
4	Agri-tourism expansion on the east coast with new vines and cellar door expansion in a number of vineyards up the east coast	Well advanced	1 - 2 years	• Glen Gala Estate - Vineyard expansion • Freycinet Marine Farm - Expansion & Eatery • Milton Vineyard - includes Restaurant • Springvale Vineyard & Cellar Door • Freycinet Vineyard & Cellar Door • Kates Berry Farm - includes eatery • Boomer Creek - includes Cellar Door

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing I'm new

= Not progressed = Underway = Well advanced = Completed

Aquaculture and fishing

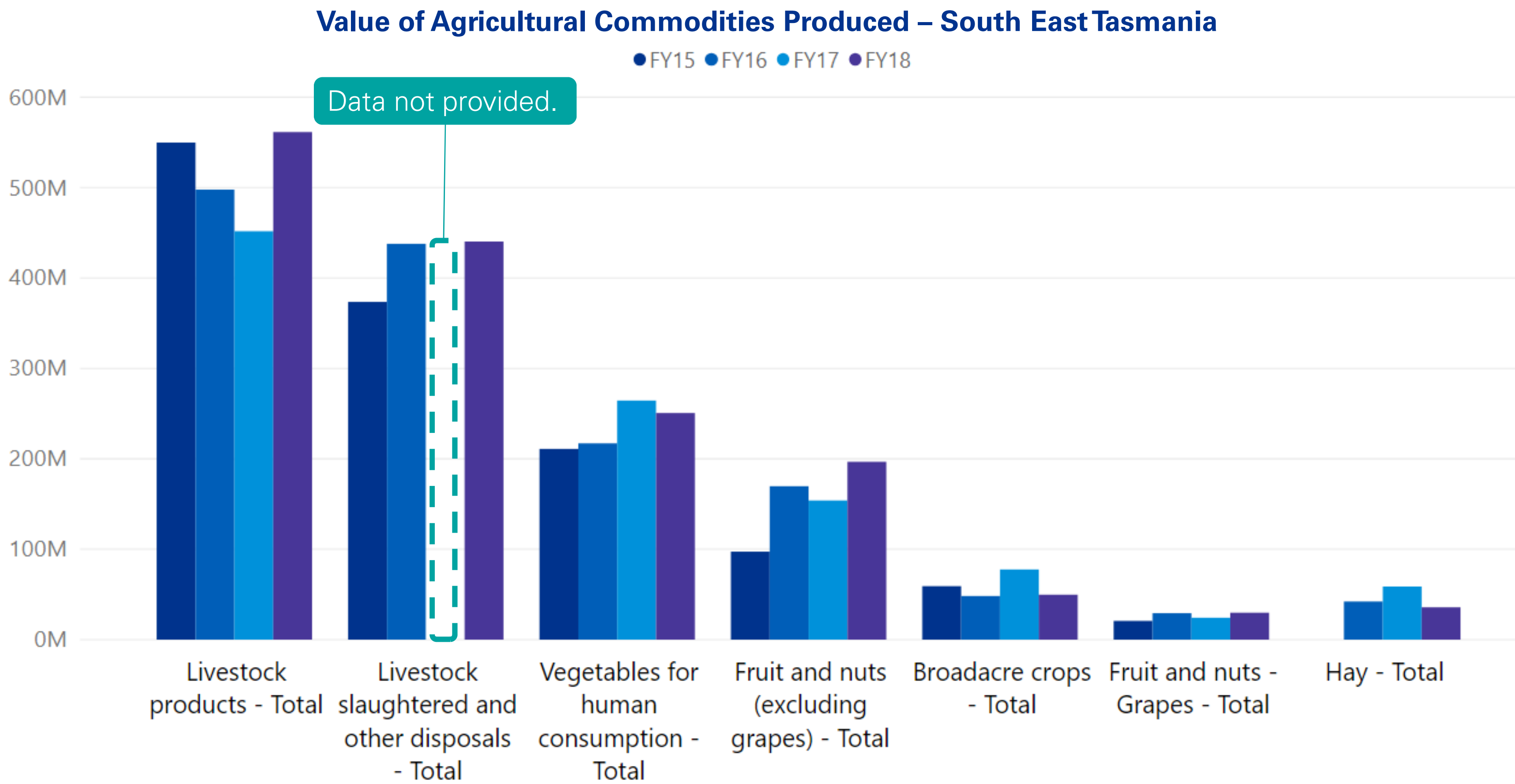
Some activity is occurring in the fisheries sector…

	Foreseeable projects	Current Status	Horizon	Key points
1	Growing marine farming around Barilla Bay, Pittwater and Pipe Clay Lagoon, expanded to also now include • Dunalley Abalone • Shellfish Culture	Well advanced	2 - 5 years	• Additions to marine farming will be addressed separately. • Dunalley expansion is expected to generate up to 30 jobs. • 1,000,000 dozen shellfish produced (generating ~40 jobs).
I'm new 2	Expansion of aquaculture in Storm Bay	Not progressed	2 - 5 years	• Leases are in place but yet to be activated due to ongoing feasibility trialling

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing I'm new

= Not progressed = Underway = Well advanced = Completed

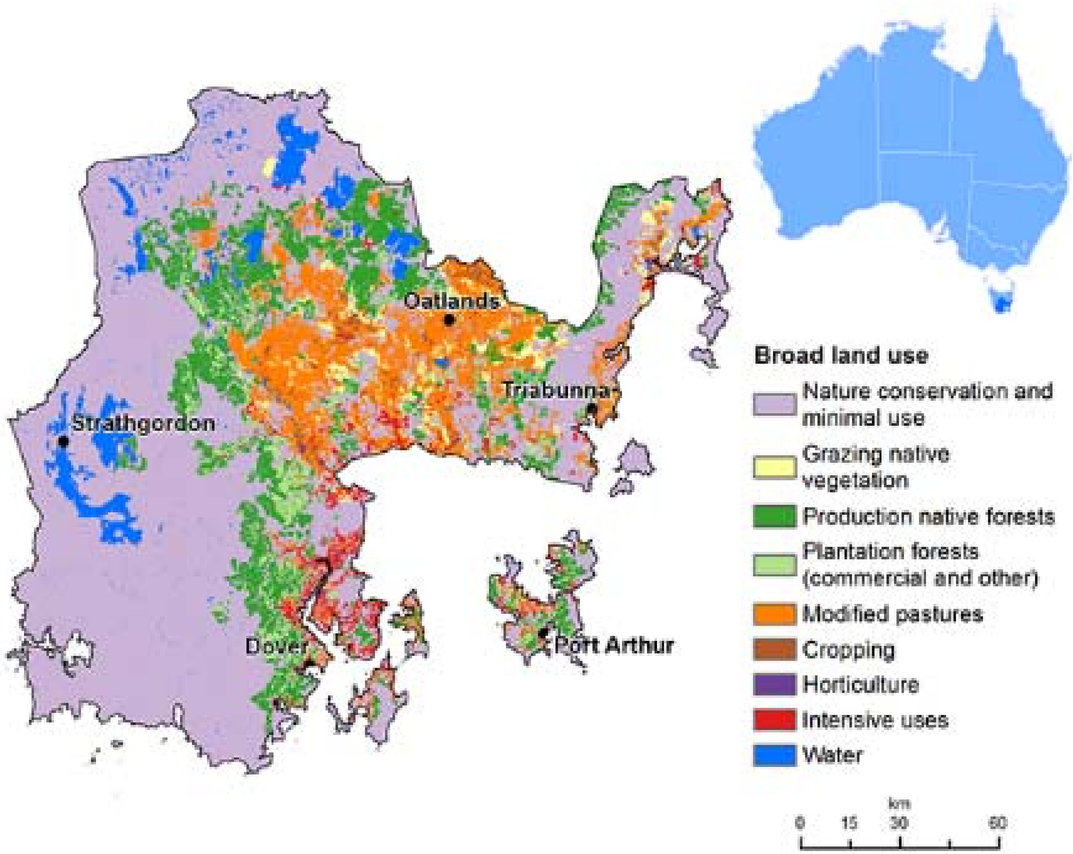
Agriculture Production



Livestock products continue to provide for most of south east Tasmania's agricultural produce, recovering from its FY17 low of $452M to $561M in FY18. Fruit & Nuts (excluding grapes) have experienced the highest growth, more than doubling in value from FY15 ($97M) to $197M in FY18.

Source: ABS - Value of Agricultural Commodities Produced (2014-15, 2015-16, 2016-17, 2017-18), accessed 07/01/2020

Broad land use in the South East Region

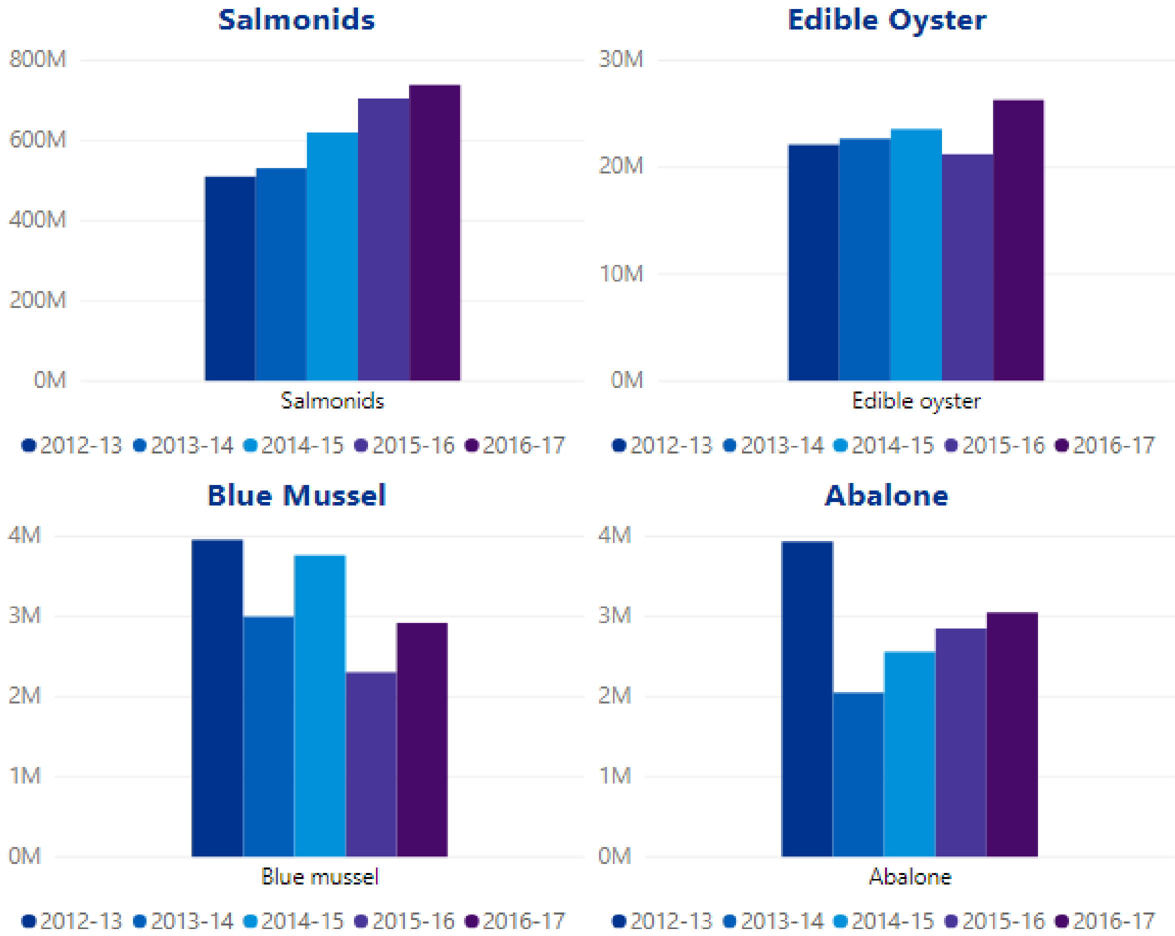


According to ABARES (Department of Agriculture, 2016), Agricultural land in the South East Region occupies 6,660 square kilometres, approximately 28% of the region.

Source: ABARES – Department of Agriculture, accessed 08/01/2020, <https://www.agriculture.gov.au/abares/research-topics/aboutmyregion/tas-south-east#regional-overview>.

Aquaculture Production

Value of Aquaculture Produced in Tasmania



Tasmania is a large producer of salmonids, forming approximately 96% of the value of the states fisheries in the 2016-17 financial year. The salmonid industry has grown by 45% since the 2012-13 financial year, whilst edible oysters have also grown by 19% during this time. Abalone has been trending upwards since being reduced by almost a half in 2013-14, whilst blue mussel has been trending downwards since 2012-13.

Source: ABARES – Department of Agriculture, accessed 08/01/2020, <https://www.agriculture.gov.au/abares/research-topics/fisheries/fisheries-data#australian-fisheries-and-aquaculture-statistics-2017>.

Social services

Matters raised in discussions

Sector forces and trends

- General trend towards more people want to age at home but there are not enough aged care packages to meet the growing demand in the south east and the margins to providers on these services is very tight.
- The client base in the south east is growing, mainly in the older age groups but also for younger families that are moving into the region. This growth is driving employment growth of 2-3 people per month at South East Community Care.
- Aged care support is growing in Clarence with the Independent Living Units (ILUs) being developed by Southern Cross Care. South East Community Care is looking to expand with 12-20 ILUs at Sorell.
- Access to transport for people in the south east (east coast) is a major problem, especially for those on lower incomes. Metro is now coming to Sorell but public transport still needs to be improved in the wider region. Community transport does well to fill the void.
- Funding to community service provides remains tight. Funding to consumers has led to more tailored services being delivered based on needs based funding. Margins are very tight.
- The growing demand for community support services means more appropriate trained staff are needed. Pay rate are low and the work is not easy, so attracting the right people is challenging.

Infrastructure challenges

- The south east region need more support to deal with increasing mental health issues and more allied health providers – dental, podiatrist, physio, occupational therapists, pathology etc. Most residents need to travel to the city to source these services. GPs at Sorell and Tasman are at capacity.
- Sorell could benefit from a more diverse housing stock. Smaller and higher density homes (e.g. Sorell Mews) could help to constrain the rate of expansion and also keep costs down.
- Communications and internet are still issues, with many black spots and slow speeds still adversely impacting clients and business efficiency. Many business support tools (Apps) rely on consistent connectivity and speed to function effectively.

Social services

Some advances are being made in social and human services…

	Foreseeable projects	Current Status	Horizon	Key points
1	Emergency Services hub at Sorell			• Approximately $12M construction • Police, Fire and SES services
2	Sorell School redevelopment			• $27M+ total rebuild of the school
3	Extension of Dodges Ferry Primary School			• Eight extra classrooms will be constructed
4	Sorell Trade Training Centre expansion to provide more learning spaces			• Need $2-3M of Federal funding • Training eight new instructors to facilitate • 20 part time positions overall in the next 2 years.
5	Expanded child care services in Sorell and Tasman • Discovery • Lady Gowrie • Private Contractor at Sorell High School • Centre at Nubeena			• Discovery has title and is awaiting DA • Two providers interested in Nubeena opportunity
6	Family Learning Services on Sorell School site			• Working group formed, planning underway

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing **I'm new**

= Not progressed = Underway = Well advanced = Completed

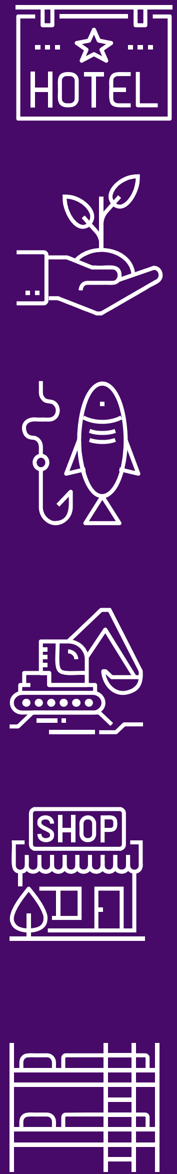
Social services

Some advances are being made in social and human services…

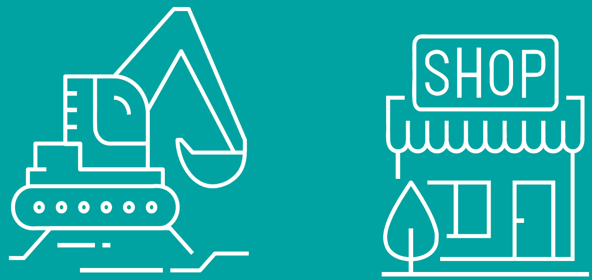
	Foreseeable projects	Current Status	Horizon	Key points
7	Library development at Sorell			• Discussions being held but no funding in State Budget forward estimates
8	Independent living and residential aged care by Southern Cross Care at Rosny			• Project is now well advanced on the western side of Gordon's Hill Road
9	K-6, K-10 or K-12 Catholic School in Sorell			• Tasmanian Catholic Education Office undertaking Investigations into a new school at Sorell
10	New Affordable Housing Units at Nubeena			• Five additional units will provide to the local community, and are scheduled to be completed by 30 June 2020

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing **I'm new**

= Not progressed = Underway = Well advanced = Completed



The 'traditional sectors'



Construction and manufacturing

Wholesale and retail

The traditional sectors

The manufacturing and construction sectors are keeping busy but not driving infrastructure needs…

	Foreseeable projects	Current Status	Horizon	Key points
1	Expanded light industrial, engineering/ storage around Cambridge and the Airport	Well advanced	Ongoing	• Construction is ongoing.

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing **I'm new**

= Not progressed = Underway = Well advanced = Completed

5. What's been going on in the enablers?

In light of the indications of what the region may become, what has been or could be done to respond to the potential pressure points/ risks?

Water and waste water

Matters raised in discussions-TasWater

Issues and pressure points

- Climate change is factoring into forward planning. More intense storms and higher levels or evaporation are being considered. Rising water levels/ tables will see strategies such as levies in place for lower lying areas such as Lauderdale.
- Finite funding and competing demands by regions are key challenges.
- Access to skilled engineering resources and day labour is also proving to be difficult
- Coles Bay water supply remains a major issue and discussions are being held with the Government about dealing with sewerage.
- The increased visitation and conversion of dwellings to AirBnB is straining the on-site sewerage systems in some south east destinations.
- TasWater has 170 sewerage schemes around Tasmania and 75% of these are not impacted by growth. Growth Capacity Plans for these 170 schemes are being drawn up to guide the next 10 years of investments.
- TasWater's focus has shifted from drinking water compliance to sewerage (and treatment plant compliance). This alone provides a backlog of around 10 years of capital works projects.
- Given that strategy, less priority is being given to new projects that extend existing schemes. 30% of treatment plans only service 3% of the population.

Current and emerging plans

- Wastewater re-use schemes are now operating at Penna, Coal River and Brighton, serving around 40 customers. These are currently running at a loss. There are goals to expand the re-use schemes in the south east and provide this to TasIrrigation to save water
- Clarence has good development strategies to manage growth water and sewerage demands. A central treatment plant to supply class A water to Brighton/ Coal River was over subscribed. Rosny STP will need attention.
- For Sorell, Midway Point and Cambridge, capital works aim to have no discharge of treated sewerage into Pittwater by 2022.
- There may be scope for the STP at Dodges Ferry to be taken over and upgraded at a cost of $160M. There may also be scope to replace on 3-4 smaller dams with one large dam to service Orford/ Triabunna. Swansea and Bicheno water and sewerage is adequate for the time being
- Water supply is adequate to Sorell, but this will need to be re-assessed with a new Sorell Master Plan. Ingham's want to expand and there may be potential for this to feed into a TasWater Sewerage Treatment Plant.
- On the Tasman Peninsula, TasWater currently only has a small sewerage scheme at Nubeena. Investigations are underway for TasWater to take over (via a Transfer Order) the Penzance Scheme at Eaglehawk Neck. TasWater is also seeking funding for a study to take over the Port Arthur water and sewerage scheme. This study will take 12-24 months.

Water and waste water

	Recommended response	Status	Priority (H,M,L)	Key points
1	Undertake improvements/ extend capacity of the Port Arthur Water and Sewerage services.	Not progressed	High	• Still a major issue for the PAHS and Tasman Peninsula given increasing visitor numbers.
2	Potential for recycled water currently operated by TasWater to a single provider (Tas Irrigation).	Not progressed	Medium	• Some planning work being done no progress to date
3	Improved water and sewerage services to the Coal Mines heritage site.	Not progressed	Low	• No progress made and seen as a low priority
4	Improved water and waste water services to specific key regional employers such as, but not necessarily limited to: ▪ TASSAL – (Triabunna facility) - water ▪ Ingham – (Sorell facility) - waste water	Completed Underway	High	• Triabunna facility has been completed. • Sorell facility assessment and business case is underway.
5	Centralised water and sewerage services to the southern beaches	Not progressed	Low	• A long term vision but no prospect of being funded in foreseeable future
I'm new 6	Water and sewerage 'solution' for Coles Bay.	Not progressed	High	• Has emerged as a high priority • TasWater working on a solution, but high cost

= High priority = Medium priority = Low priority I'm new

= Not progressed = Underway = Well advanced = Completed

Irrigation

Matters raised in discussions-TasWater

Issues and pressure points

- Climate variability (especially a drying climate) is driving demand for a reliable water supply for existing irrigators. Around $200M of private infrastructure has followed the SE Irrigation Scheme 2 and 3.
- In the long term, pressure points will come from access to labour and resources, the availability of quality modelling on climate variability and competition for water from TasWater and Hydro
- An emerging pressure point for TI is the availability of civil contractors and engineers to underway the capital works. Competition for labour is/ will be coming from TasWater, Midlands Hwy upgrades, Hydro and Bridgewater Bridge.
- Reliable water supply is driving the expansion of agriculture in the SE – viticulture, cherries, apricots. There is further latent demand in the Coal River and Jordan regions. This could equate to at least 3,600 ML, but could be double or triple.
- TI's below ground infrastructure well protected but its above ground assets are more exposed to flood and fire events. TI water can be used to assist combat fire events, but end users are more likely to provide more water access to water for fire fighting.

Current and emerging plans

- TI is a 'not-for-profit' entity. Each scheme is financially reported as a separate entity, with no scope for cross subsidisation. TI charges water users an asset replacement levy to cover the depreciation and provide for future
- All TI schemes must take environmental impacts into account in scheme design. All irrigators must have a Farm Water Access Plan is place to ensure environment risks are managed.
- There is plenty of water for both TasWater and TI in the SE, but TI currently relies on TasWater to supply water to some TI schemes. TI doesn't need the same high quality TasWater drinking water for its schemes. Raw water from the Derwent or Meadow Bank is quality tested and fine for irrigation
- Once the SE Schemes are fully constructed and integrated, TI will move into scheme maintenance, asset replacement and strategic augmentation to improve scheme efficiency. There is considerable scope to integrate more advanced technology into the systems to provide real time data
- The Swan Valley Scheme has been affected by the dry climate and low water supply. The Melrose Dam has not been able to be filled meaning only 5% of users allocations could be supplied

South East Irrigation Scheme - Stage 3 (Sorell)

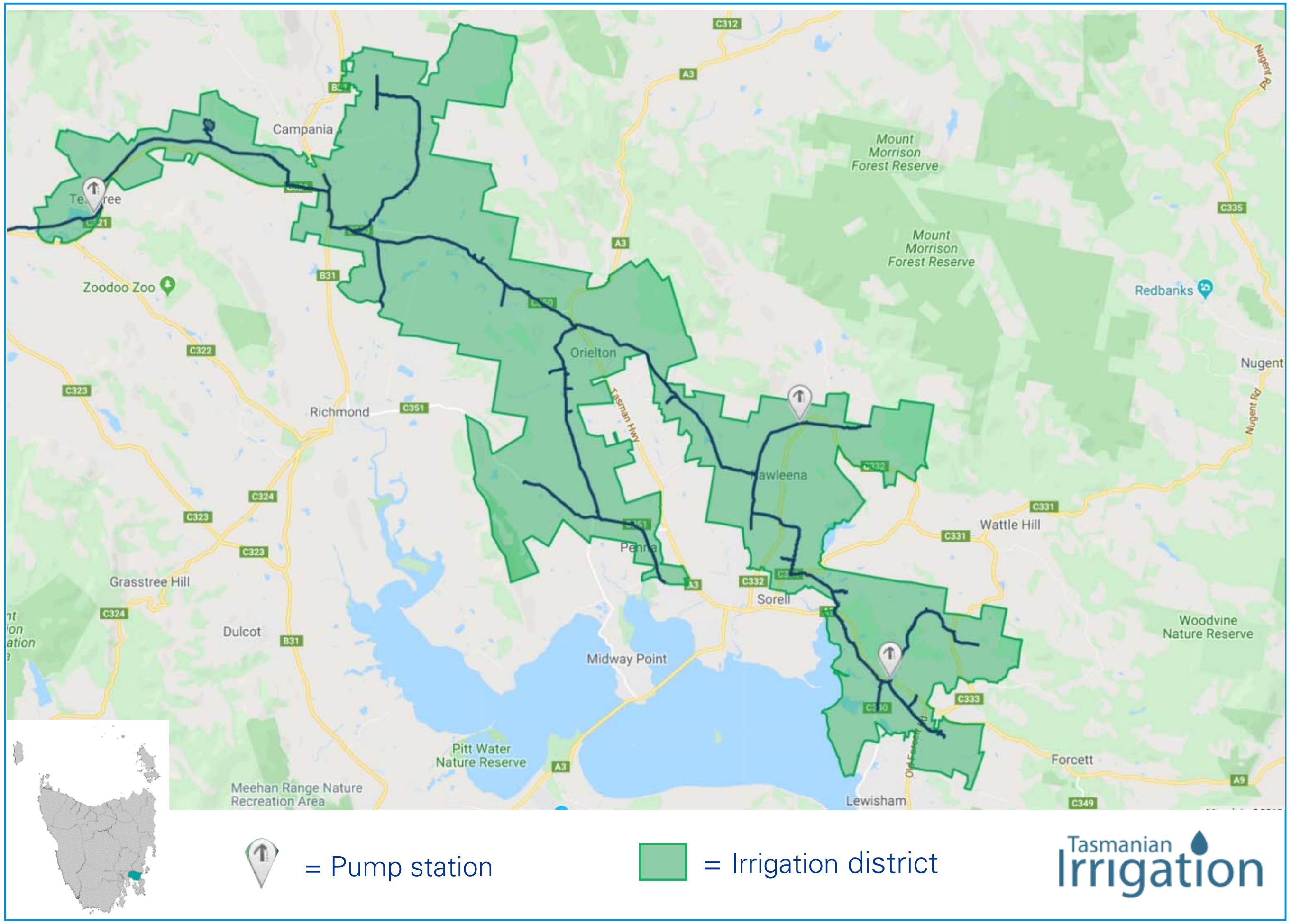
Stage 3 of the South East Irrigation Scheme (Sorell) commenced operations in October 2015.

The district services agricultural, horticultural and viticulture enterprises around the townships of Tea Tree, Campania, Orielton, Pawleena, Penna, Sorell and Forcett. Current production in the area includes cherries, apples, salad vegetables, wine grapes, apricots, olives and walnuts.

The scheme in total has capacity to supply 6,980 mega litres (ML) as follows:

- Stage 1 - 2,000 ML
- Stage 2 - 1,980 ML
- Stage 3 - 3,000 ML

https://www.tasmanianirrigation.com.au/schemes/south-east-stage-3-sorell



Swan Valley Irrigation-Glamorgan Spring Bay/ Break O'Day

The Swan Valley Irrigation Scheme was constructed during 2017.

The scheme provides irrigation for vineyards, orchards, pasture and cropping land. Production in the area includes wine grapes, nuts, pasture for livestock finishing and cropping.

The scheme has the capacity to supply 2,000 ML of water over a 120-day delivery period on which the summer irrigation season is based.

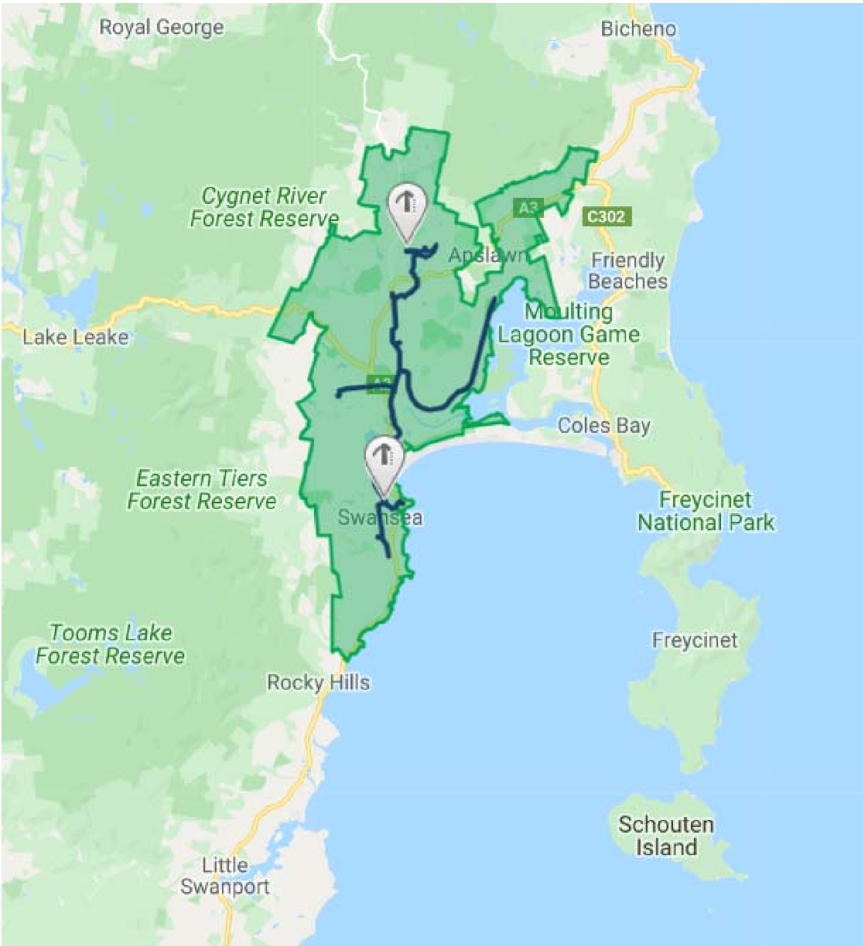
https://www.tasmanianirrigation.com.au/schemes/swan-valley

The scheme services pastures and land in the Swan River Valley from Cranbrook in the north and branches to Swansea in the south.

= Pump station

= Irrigation district

Tasmanian Irrigation



Irrigation

	Foreseeable projects	Current Status	Horizon	Key points
1	South East Irrigation Scheme uptake			• Irrigation is supplying water to berry, grapes and cherry fields. • No more water licenses will be issued at this stage. • An EOI has been issued in March 2020 for expansion of the South East Scheme
2	Swan Irrigation Scheme roll out and uptake			• Scheme developed by Tas Irrigation • Water assurance in the east coast has progressed. • A location of an additional water supplier is being sought.
3	Interim solution to untie TasIrrigation from reliance on TasWater to supply water to SE Schemes			• $16M investment on an interim solution • Will be 5-10 years for the full integration of Coal River (Stage 1), Richmond/ Cambridge (Stage 2) and Sorell (Stage 3)

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing I'm new

= Not progressed = Underway = Well advanced = Completed

Irrigation

		Foreseeable projects	Current Status	Horizon	Key points
I'm new	4	South East Irrigation Scheme uptake	Not progressed	5 - 10 years	• Concept and early stage consideration being given to longer term opportunity to connect up the SE Irrigation Scheme with the Southern Midlands Irrigation Scheme (Bothwell, Kempton etc.). • This could come down as far as Brighton/ Bridgewater to connect up with SE Scheme around Craigbourne • The Southern Midlands Scheme is estimated to cost around $250M • Estimated costs for full integration will be around $250M
I'm new	5	Possible expansion of the SE Scheme through Forcett	Not progressed	5 - 10 years	• Thought being given to conducting an Expression of Interest process to gauge interest by producers in the region

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing I'm new

= Not progressed = Underway = Well advanced = Completed

KPMG

Roads and transport

Matters raised in discussions

Issues and pressure points

- Additional Spirit capacity will lead to more RVs and scope for greater dispersal e.g. 36% of Dover visitors come off the Spirit.
- There is a risk that job creation in the south east that draws people from outside the region and across the Hobart CBD will create contra-flows that are more difficult to manage. This needs further analysis.
- The availability of affordable residential land in peri-urban areas such as Sorell is contributing to the roads and traffic challenges.
- Work being undertaken through the Hobart City Deal aims to see growth in higher density in-infill housing to lessen expansion to the regions.
- Roads and transport strategy is shifting to greater reliance on public transport. The Kingston "park and ride" solution will be equally applicable to the South east
- The Kingborough solution will cost around $70M comprising $15M for Davey/ Macquarie Street, $20M for 'hub in Kingston and $35M for transit lane changes for public transport. Similar investment in the south east would be needed.
- Strategies to activate greater pedestrian and cycling are moving forward. Ferries could form part of that solution including a terminal/ park and ride in Rokeby/ Norfolk Bay and Lindisfarne. Around $40M would be needed to improve/ expand the Tasman Bridge pedestrian/ cycle paths.

Current and emerging plans

- The South East Traffic Solution commits at least $45M to a range of infrastructure initiatives as per next page. Concerns that these measures will get commuters to the same queue at the Tasman Bridge faster and not offer material savings to commuter times.
- Responses to improved roads for support tourism (e.g. Arthurs Highway and Great Eastern Drive have been ad-hoc and need to be underpinned by a broader strategy that considers factors such as signage, arrows, pullovers, overtaking etc. Some perceive that overtaking lanes mainly benefit locals by allowing them to by-pass slower moving visitors.
- Preliminary planning is underway to improve the South Arm Highway (Glebe Hill to Lauderdale). Thought also being given to traffic lights at Mornington and Shoreline roundabouts and an improved Flagstaff Gully route.
- The Tasman Highway Corridor Strategy will be released soon. This will provide a blueprint for future transport to/ from the south east.

South East Traffic Solution

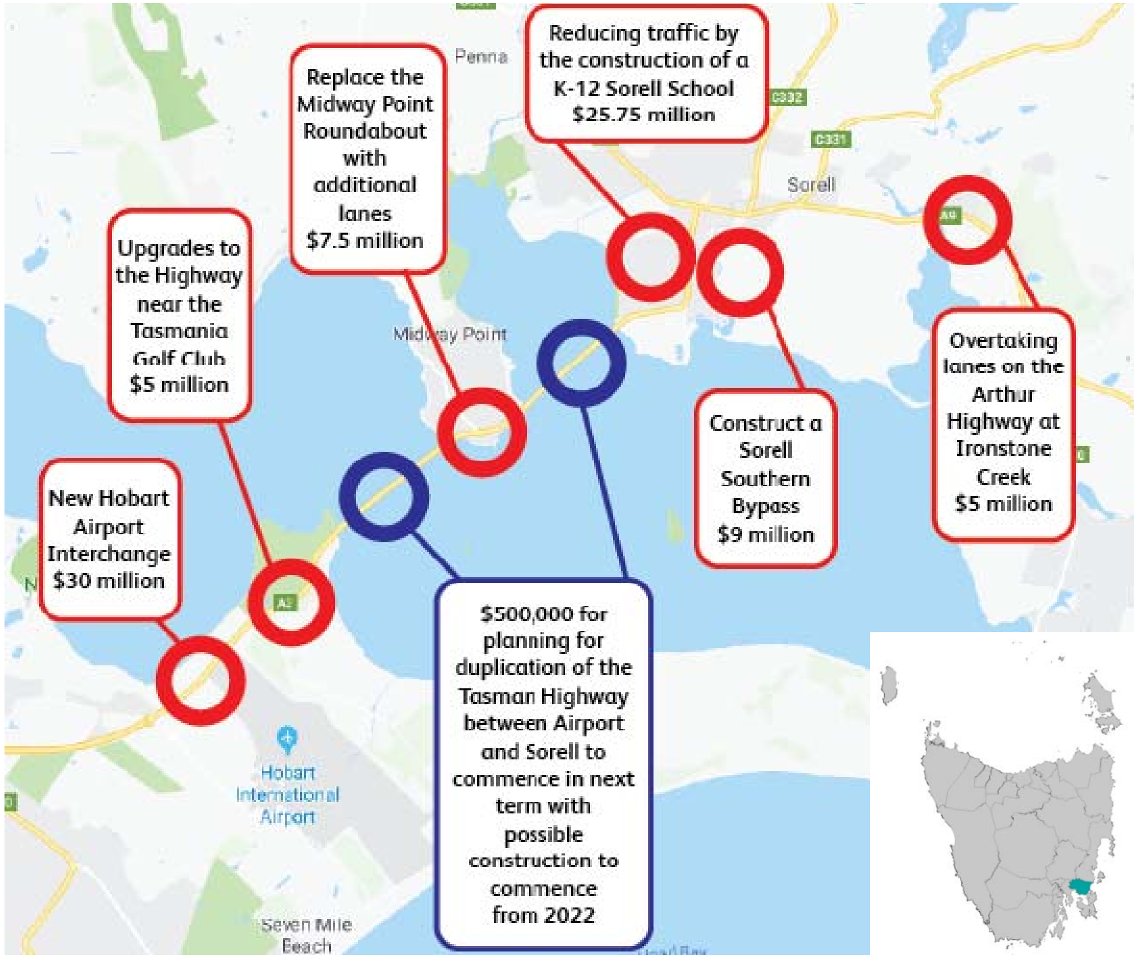
The Tasmanian Liberals – headed by Premier Peter Gutwein – have committed to a series of investments aimed to reduce congestion and improve the road infrastructure in Sorell.

Some features of the plan (see figure) includes developments to the:

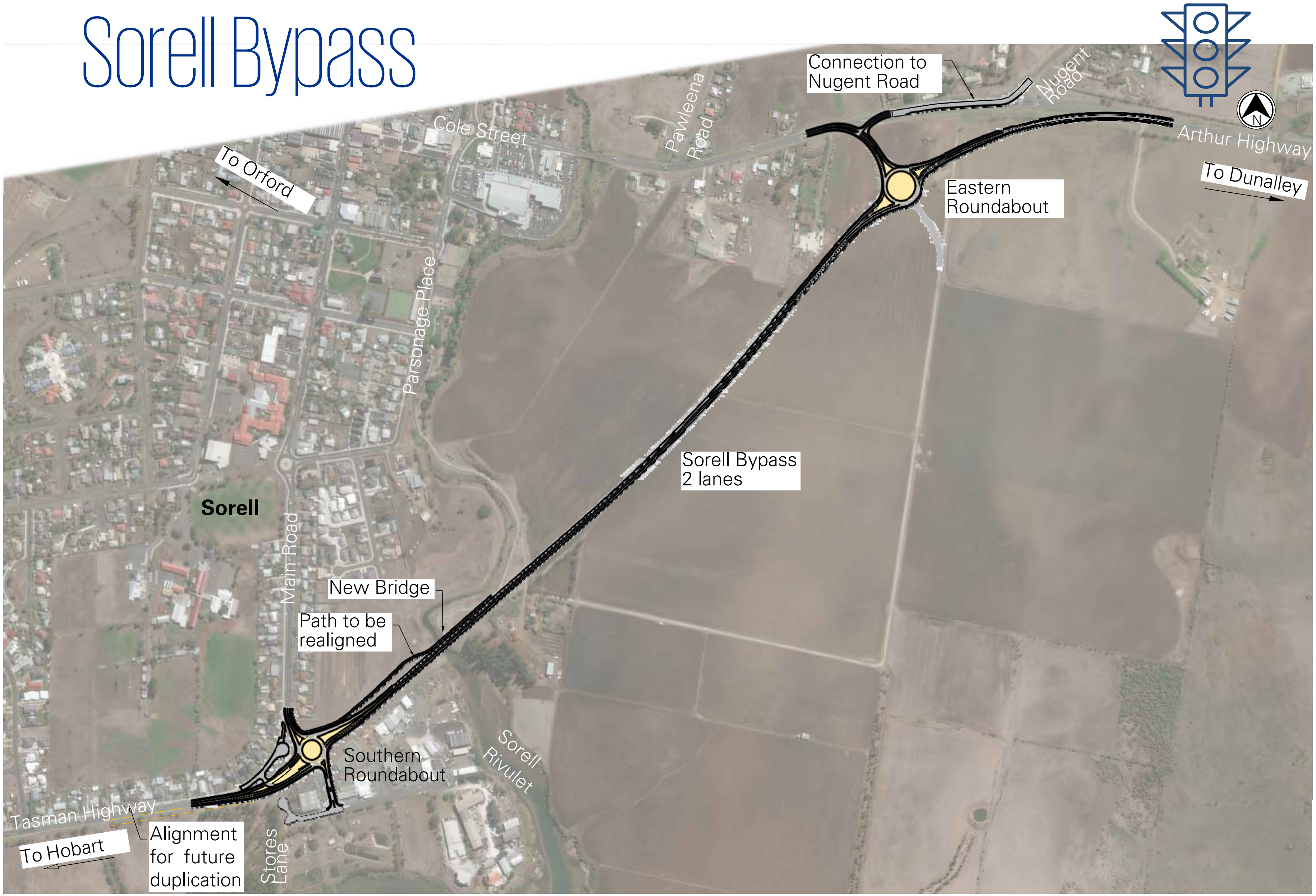
- Midway Point roundabout
- Highway upgrades
- Construction of a Sorell Southern bypass
- Overtaking lanes on the Arthur highway.

Note that costs estimates of $45M have since risen

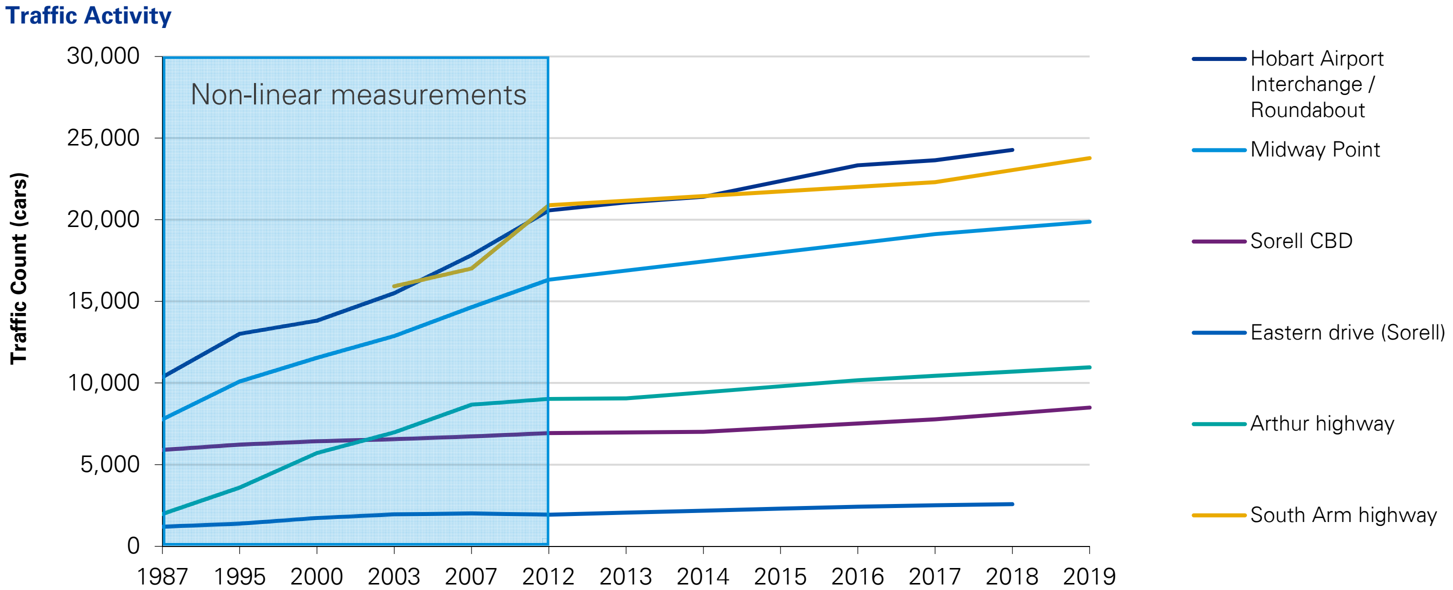
https://www.tas.liberal.org.au/



Sorell Bypass



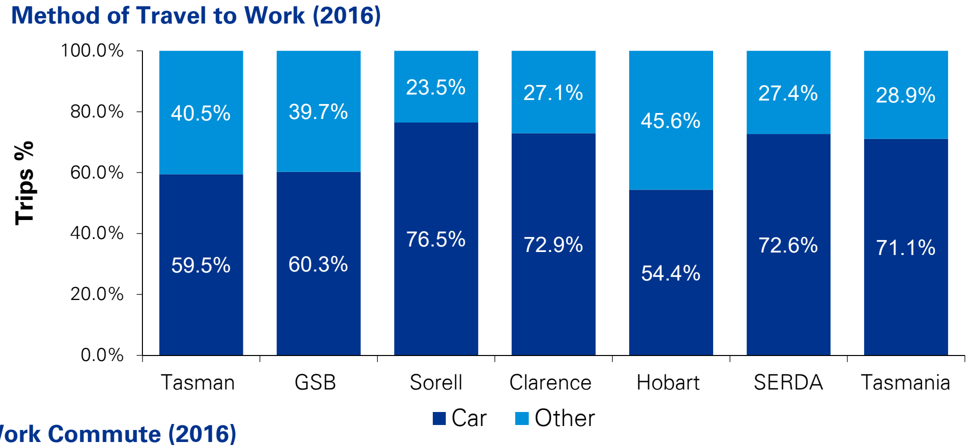
Traffic movements

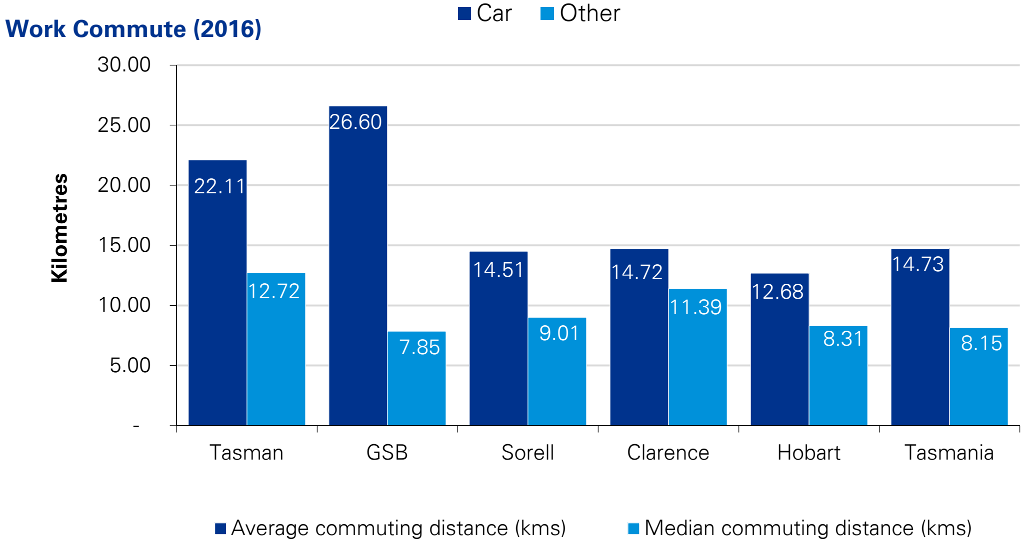


Source: RoadsTas Traffic Stats, accessed 11/12/2019 <http://geocounts.com/traffic/au/stategrowth>

The amount of traffic has steadily increased overtime, indicating additional strain on the road infrastructure in south east Tasmania. Since 2012 - in the key locations shown above - the Great Eastern Drive has seen the largest proportional increase in traffic (34%), whilst the Hobart Airport Interchange (3,705 cars) and Midway Point (3,552 cars) have experienced the greatest increase in traffic count.

Work Travel Analysis





Overall, the SERDA councils closely mirror greater Tasmania in terms of how the population commutes to work. However, lower proportions of the population in the Tasman and GSB regions use their car to go to work, despite travelling further to get to work. Slightly over half of Hobart residents (54.4%) use their car to go to work, due to the increased public transport options and shorter distances to travel to get to work. This demonstrates the potential growth in alternative transport options available to those in the Clarence and Sorell regions where over 70% of residents use their car to commute to work.

Source: ABS - 2016 Census of Population and Housing (Table G59), accessed 30/01/2020.

Roads and transport

	Recommended response	Status	Priority (H,M,L)	Key points
1	Upgrade the Richmond Road to support growing agri-tourism to Coal River Valley and Richmond.	Underway	Low	• There is priority to support freight to the area.
2	Cambridge by-pass from the Richmond Road to the Acton inter-Change	Underway	Medium	• Planning underway
3	Improvements to the airport roundabout	Well advanced	High	• Funded to $30M, but some delays due to finalisation of designs and details
4	Undertake ongoing improvements to the Arthur & Tasman Highways such as overtaking turnouts etc.	Underway	Medium	• Road works continuing on a priority needs basis, but much more to be done • Arthur Highway overtaking lanes past Iron Creek are completed
5	Sorell By-Pass to the southern beaches and Tasman	Underway	High	• Plans are now well advanced and commitments made • Increasing traffic through Sorell is advancing this case to a higher priority

= High priority = Medium priority = Low priority **I'm new**

= Not progressed = Underway = Well advanced = Completed

Roads and transport

	Recommended response	Status	Priority (H,M,L)	Key points
1	Improved public transport to/ from Sorell and beyond – Tasman and Glamorgan Spring Bay.	Well advanced	High priority	• A bus service is now in place for Sorell and Tasman. • Public transport has been extended to Southern Beaches though some issues remain, including cost of fares
2	Improved roads and transport services to the Cambridge commercial precinct and the Hobart Airport.	Underway	High priority	• Progress being made on road works ready for airport commercial expansion
3	Other gravel road upgrades to bitumen e.g. ▪ Three Capes Walk- Stormlea Road and/ or Fortescue Bay Road ▪ Saltwater River Road to the Coal River Mines World Heritage Site (only 2-3 kms) ▪ Wielangta Forest Road (least important)	Underway	Low priority / Medium priority	• Orford end of Wielangta Forest Road is complete (approx. two thirds of road). • Sorell end not yet progressed due to funding constraints and competing priorities.

= High priority = Medium priority = Low priority **I'm new**

= Not progressed = Underway = Well advanced = Completed

Hobart Airport

Matters raised in discussions

Issues and pressure points

- Passenger number projections have been far exceeded, with year on year growth of 5% p.a.. In contrast Sydney passenger number growth has been -0.8% p.a.
- Passenger number through the airport are projected to increase from 2.7M in 2018-19 up to 4.2M by 2030, an increase of 55%.
- Around 65% of all visitors to Tasmania come via the airport. The new Spirit vessels will be complimentary and not a competition to the airport.
- Currently, less than 2% of Tasmania's freight goes by air. International flights will support direct freight to international markets and also support A319 plane movements to Antarctica.
- The international service is planned to commence in November-December of 2021. Investment in supporting infrastructure will occur until then.
- Jobs at the airport are currently around 700. This is estimated to grow to around 1400 by 2030. This should provide jobs for lower skilled staff in areas such as customer services, ground handling, retail/ commercial.

Current and emerging plans

- The 2015 Master Plan become quickly obsolete due to the escalation in passenger numbers.
- A new Master Development Plan will be available in 2020, which will set out the expansion plan for the Airport over the next 5-8 years, based on Cabinet's earlier approval for Hobart to be an International Airport.
- Capital expenditure on the nautical infrastructure will be around $300M. Capital investment on the landside (non-nautical infrastructure will be an additional $400M.
- The Master Development Plan provides for expanded capacity for freight and Antarctic support. It also provides for a new commercial precinct between the airport and the Tasman Highway.
- Capital investment will be needed in areas such as domestic departure, security, international processing, baggage handling, alternative parking and vehicle movement to support growth in passenger movements.
- The Airport is working closely with State Roads and stakeholders to firm up planning and design for the airport round about and related works to the first causeway to Sorell.

Hobart Airport runway extension

The runway extension was successfully completed three months ahead of schedule in December 2017, increasing the previous 2,224m runway to a 2,724m runway length.

The longer airport has enabled increased opportunities in:

- Freight – access to and exporting to Asian markets.
- Tourism – discussions are in place regarding direct international flights.
- Antarctic support – increased capacity to service research in the Antarctic.

Works commenced in 2016 - creating 200 direct jobs - with $38 million committed from the Australian Government as well as a contribution of $2 million from Hobart Airport.

The existing 45 metre wide runway pavement was extended in length by 150 metres to the northern end and 350 metres to the southern end. Together with the expansion of the turning nodes, the runway better accommodates the large turning circle of wide-bodied aircrafts whilst also reducing runway occupancy time. This has allowed the ability to cater towards increased freight, tourism and Antarctic traffic.

Hobart International Airport

	Foreseeable projects	Current Status	Horizon	Key points
1	Hobart International Airport precinct, including • Antarctic support services • Commercial freight infrastructure • Wholesale and retail infrastructure			• Runway is completed. • Next stage is international access; terminal 2-5 years away. • Facilities funded but not yet in place. • Infrastructure is underway for international operations. • Precinct Master Development Plan for commercial and retail expansion has recently been approved

= Completed = 1 - 2 years = 2 - 5 years = 5 - 10 years = Ongoing **I'm new**

= Not progressed = Underway = Well advanced = Completed

KPMG

Residential & commercial land

Matters raised in discussions

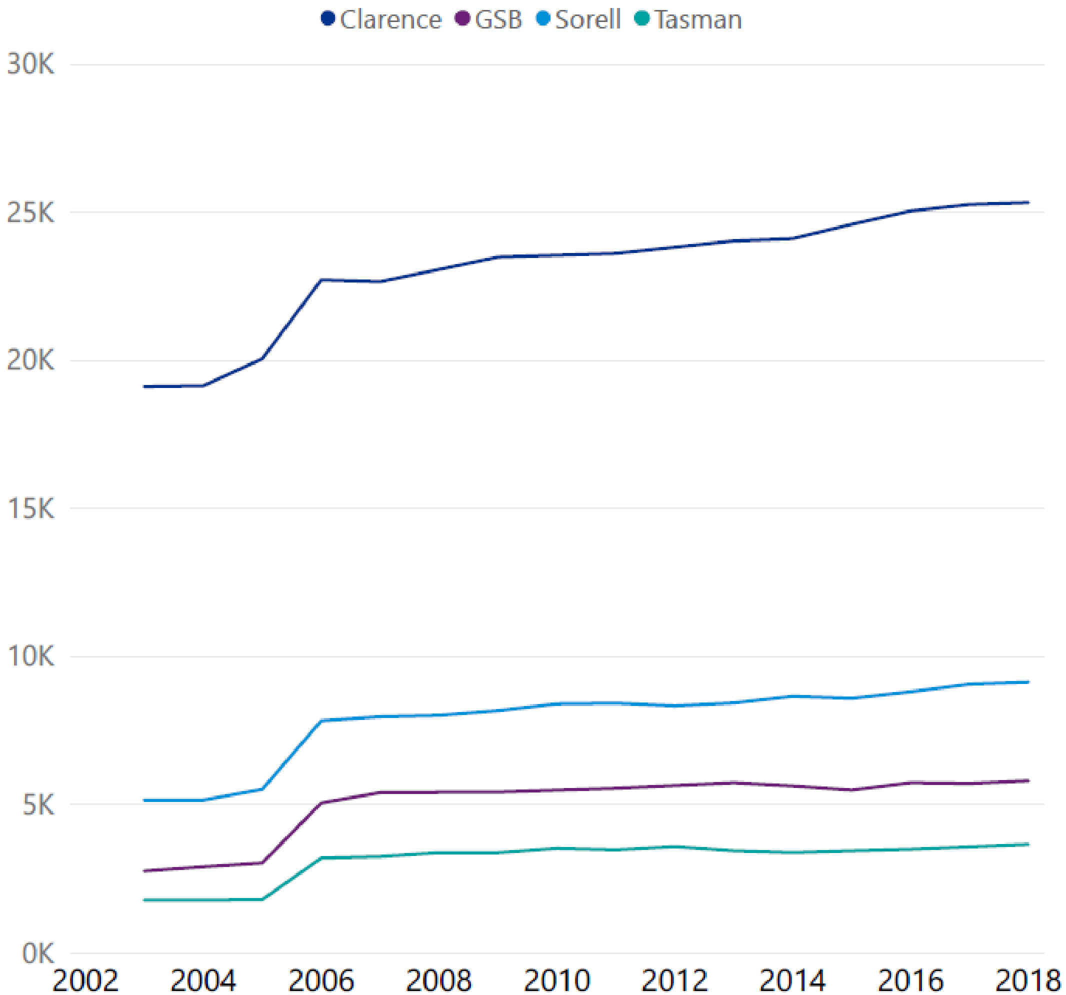
Issues and pressure points

- Expansion of residential accommodation in Sorell is at odds with a broader southern regional development and housing strategy and government direction, due to the traffic and new infrastructure development implications
- Clarence's expansion through Rokeby can be broadly accommodated with existing roads, but upgrades at Mornington, Shoreline and from Glebe Hill to Lauderdale are inevitable.
- On-site water and septic systems are at risk of not coping with the higher demands brought about by increased use of AirBnB visitors. The systems are no longer being used by just 'shackies' during peak seasons.
- AirBnB has grown significantly in the last five years. This has lessened the availability of rental housing for regional workers, which is limiting employment .
- As a result of the land use zoning strategy that has been applied over several decades, significant areas of land in Clarence have been protected from the encroachment of residential development and reserved for light industrial/commercial use, in particular at Cambridge.

Current and emerging plans

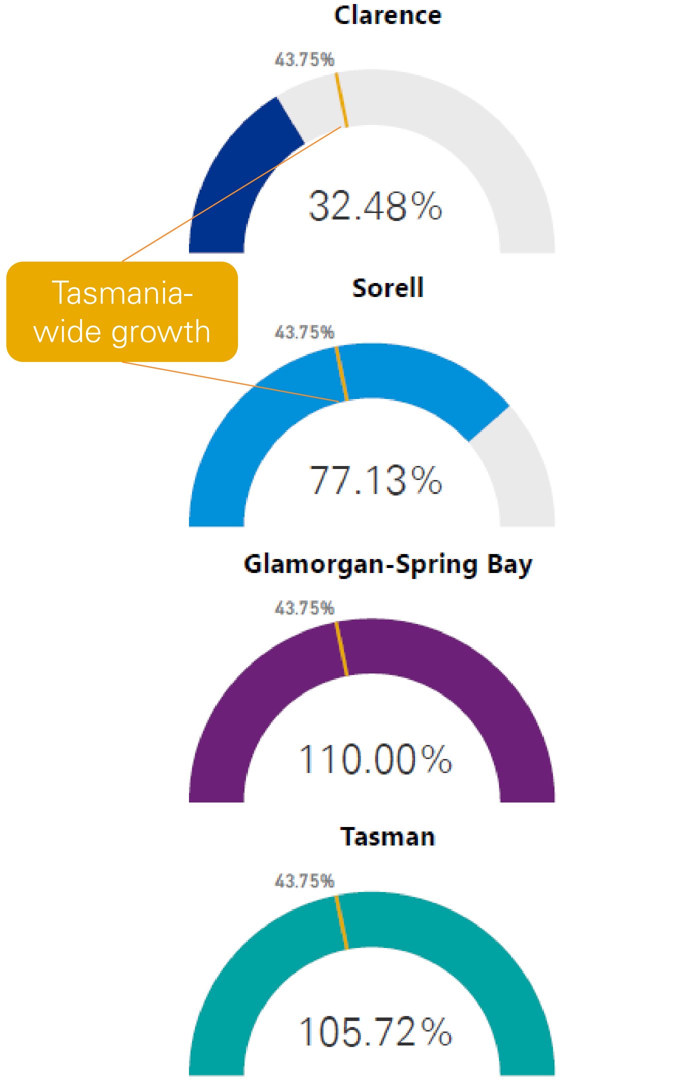
- A Structure Plan for Droughty Point will be released in 2020, which will set out the overall development plan for that region. The plan will link Tranmere/ Howrah with Rokeby and release many allotments for residential and commercial development.
- The proposed Sorell By-Pass will allow for the release of many allotments for residential and commercial development, subject to review of the Regional Land Use Strategy.
- Clarence is looking at opportunities and alternative uses for the Charles Hand Park and the council owned Rosny park Golf Course. Deliberations are in their early stages.
- The Airport has land set aside for industrial, commercial and retail uses as part of its Master Plan. See Hobart Airport for further insights.
- The Office of the Coordinator General is preparing a prospectus for investors, similar to those prepared for the north and north west.

Total Number of Rateable Properties

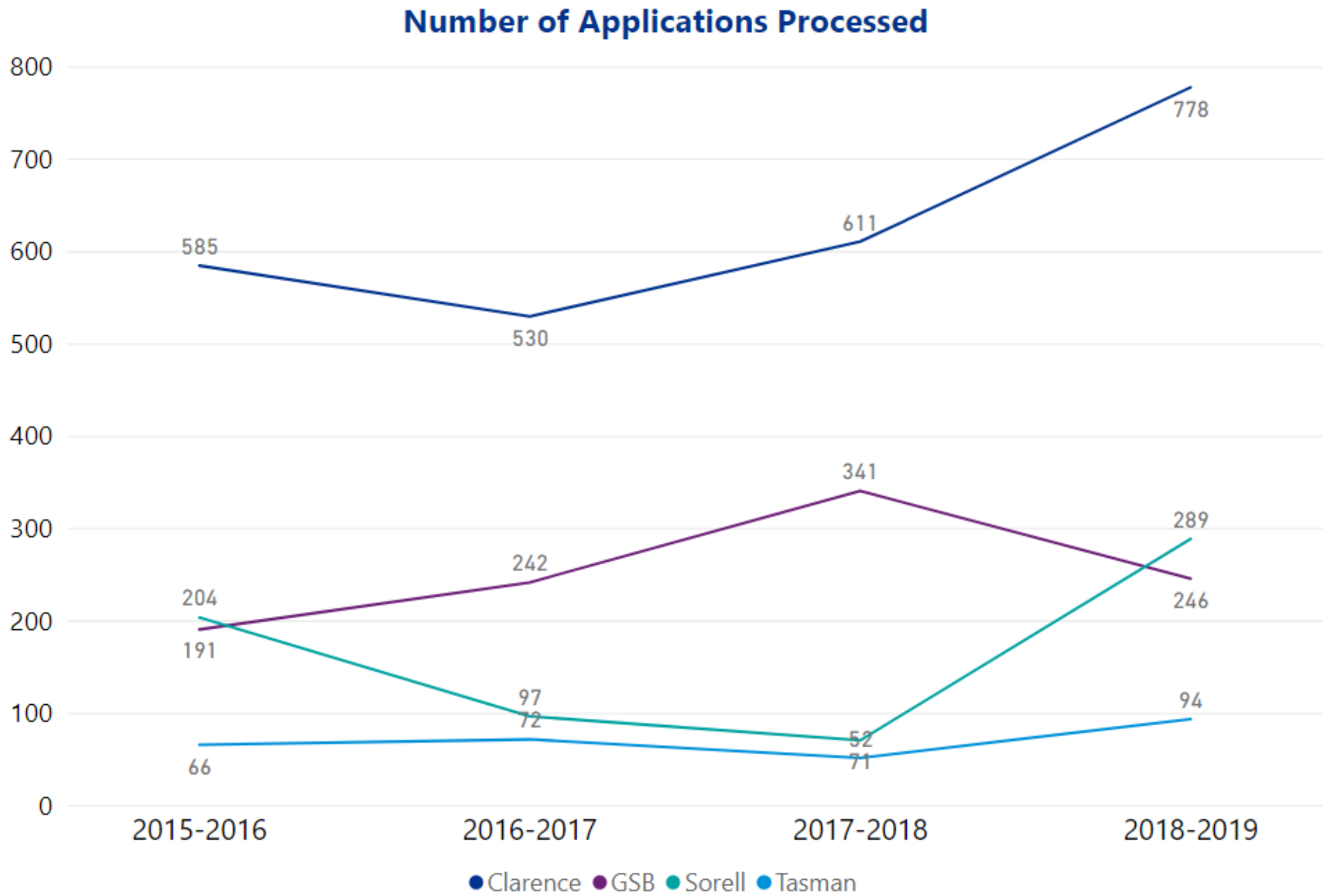


Source: The LIST - Tasmanian local government Consolidated Data Collection (CDC), thelist.tas.gov.au, accessed 29/01/2020

Growth in Rateable Properties (2003-2018)



Development Applications



Note: the applications above are those that required either 'discretionary' or 'permit required' approval. In FY19, the number of 'no permit required' applications were as follows: Clarence (N/A), Sorell (379), GSB (90) and Tasman (34). This statistic was not captured prior to FY19.

The adjacent chart refers to the number of **processed** development applications that have been determined (issued or refused) for each council reported by financial year. GSB had 78% more applications in FY18 compared to FY16, but experienced a 28% reduction in FY19. Conversely, Sorell applications were steadily decreasing from FY16 to FY18, before a 307% increase in FY19, indicating growth intentions by developers in the municipality. Among other regions to experience growth from FY18 were Clarence (27%) and Tasman (32%), providing further growth expectations in these regions.

Source: The LIST - Tasmanian local government Consolidated Data Collection (CDC), thelist.tas.gov.au, accessed 13/02/2020

Residential and commercial land

	Recommended response	Status	Priority (H,M,L)	Key points
1	The availability of commercial/ industrial land for development is a significant regional strength. There is significant scope for construction of additional Infrastructure on appropriate commercial/ industrial land to support ■ Expanded growth in direct freight through Hobart Airport e.g. cool stores etc. ■ Expanded services relating to Antarctica e.g. quarantine facilities etc.	Underway	High	• Freight and cool stores facilities have been constructed at Hobart Airport • Land at the Airport is available for further expansion • Sorell (and Dodges Ferry) has no remaining industrial land to develop, which is an impediment to jobs and growth in the region

= High priority
= Medium priority
= Low priority
I'm new
= Not progressed
= Underway
= Well advanced
= Completed

Residential and commercial land

	Recommended response	Status	Priority (H,M,L)	Key points
1	The Glamorgan Spring Bay Council has been developing the Triabunna Marina Views Estate on council owned land.			• No infrastructure in place, still some large blocks not subdivided
2	The Glamorgan Spring Bay Council has commenced a process that will result in significant urban redesign at Triabunna.			• Making progress but budgetary constraints • Similar initiatives being pursued for other towns

3	Develop a Cambridge Master Plan including potential by-pass. The bypass would link the Richmond Road to the Acton roundabout.			• Master planning has included:
				  • Cambridge township by-pass road construction linking Richmond Road to Kennedy Drive/Tasman Highway
				  • Options for the expansion of the Cambridge Primary School in the medium term

4	Develop a Sorell Activity Centre Strategy. Sorell has emerged as the 'hub' to many activities in the region that converge through Sorell			• This needs to tie into the Southern Tasmania Regional Land Use Strategy

= High priority
= Medium priority
= Low priority
I'm new
= Not progressed
= Underway
= Well advanced
= Completed

Residential and commercial land

	Recommended response	Status	Priority (H,M,L)	Key points
1	Kangaroo Bay Boulevard development			• Negotiations progressing for this $70M opportunity - 90 apartments and 400 underground car parks
2	New and affordable housing e.g. the Sorell Council has 800+ approved sub-divided lots ready and available for construction of dwellings			• No funding for affordable housing in Sorell and GSB exacerbated by rising popularity of Air BnB. • Five new dwellings in Tasman • Very few rentals are available. • Estimate 9.5 years of residential land supply within Sorell/ Midway Point.
3	New and affordable housing e.g. Clarence has 2,773 approved sub-divided lots ready to be developed now, with another 2,271 lots flagged for re-zoning, amounting to 4,744 lots in total			• Includes Glebe Hill, Droughty Point, Geilston Bay
4	Development of the Rosny Public Golf Course and Charles Hand Park			• Scope for multi-purpose development- housing, retail, tourism precinct • Early in concept development • Clarence aiming to have Master Plan in 1-2 years

= High priority = Medium priority = Low priority I'm new

= Not progressed = Underway = Well advanced = Completed

KPMG

Community infrastructure

Matters raised in discussions

Issues and pressure points

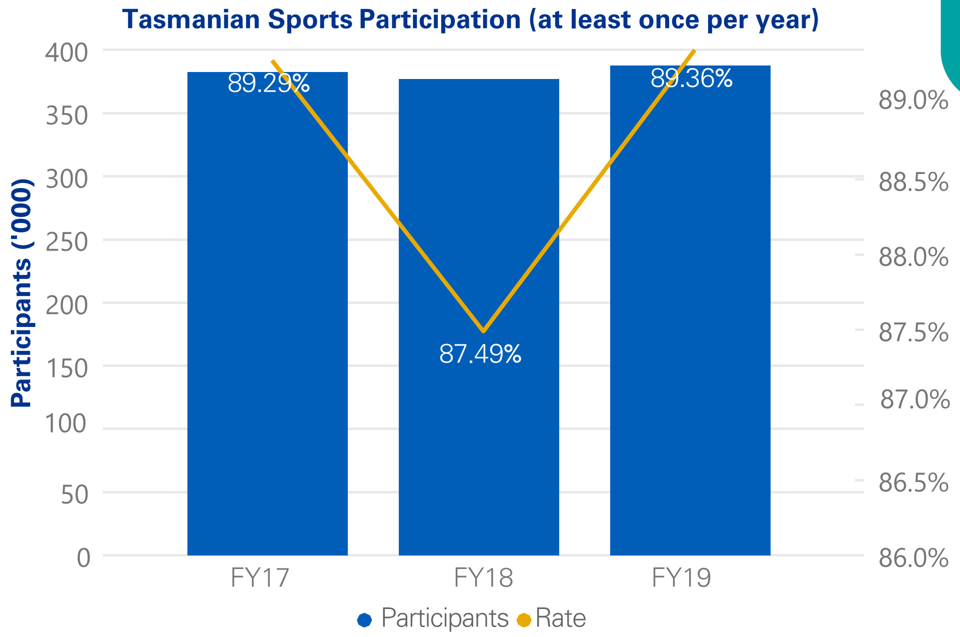
- Parks manages around $1B of infrastructure across Tasmania – roads, bridges, tracks, sewage plants, buildings, shelters etc. Growing tourism numbers are adding to the pressure on these assets and driving investment in new and additional infrastructure.
- In order to respond to the growing demand from visitors, plans to shift demand from a peak time to over a day, and managing visitor movements are being put in place e.g. circular routes rather than 'there and back'
- The new Tourism 30 Strategy is driving actions in the parks including road improvements, additional camping sites, dealing with more motor homes, creating new out of park amenities to park and ride into national parks .
- Maria Island has become a more popular visitor destination. Numbers have grown from 15,000 to 45,000 over the last few years and is projected to grow to 80,000. This is driving a range of amenity and infrastructure improvements.
- There is growing demand for recreational infrastructure in the south east, especially given the growth in participation by women. This is fuelling demand for play grounds and supporting change room amenities for men and women. The next slide illustrates the equality of participation
- There has been a trend towards more increased emergency events across Tasmania brought about by factors such as drought, lighting strike, flood events etc.

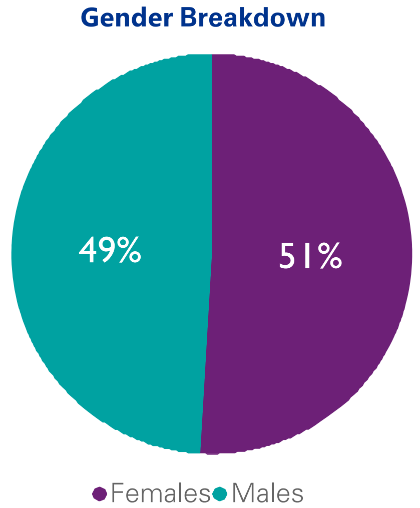
Current and emerging plans

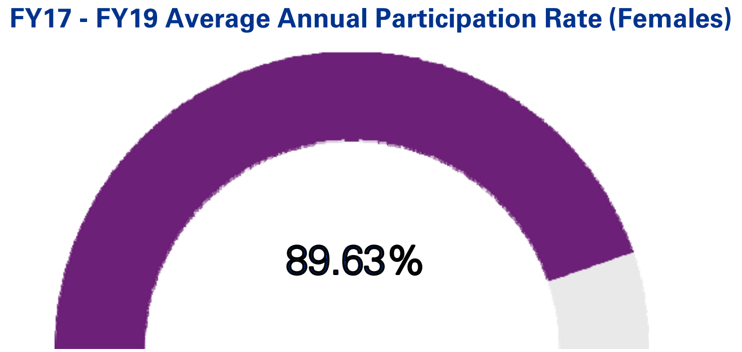
- There is a long list of current and planned parks related community infrastructure in the pipeline, which is aiming to address the pressure points at parks in key destinations in the south east, especially Coles Bay, Triabunna (Maria Island) and in the Tasman area, driven by the Three Capes Walk.
- The Sorell and Clarence Councils are looking to develop their recreational community amenities and infrastructure, in response to growing demand by female participants.
- The south east councils are continuing to make incremental improvements to amenities in support of increasing numbers of local residents and visitors in some areas of the south east.
- Attracting and retaining students to attend schools in the region and continuing through to year 12 and beyond has remained a challenge. The Department of Education has invested in the Sorell School and The Tasmanian Catholic Education Office is looking at expansion plans into the Sorell region.
- Each Council has an Emergency Management Plan, with signs of strong engagement with the other emergency services and infrastructure provides to be able to mobilise those plans in the facing of the rising risk levels in the south east. It will be important for this to remain a focus area for the councils.

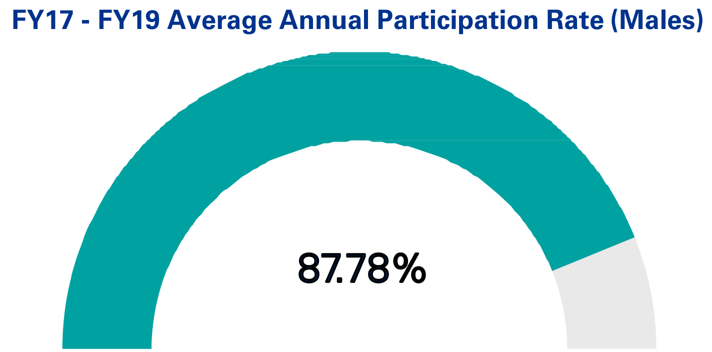
Sports Participation

The vast majority of Tasmanians participate in sport in both an annual and weekly basis. Participation rates are generally consistent with Australia (female and male participation rates are marginally below (0.1% and 1.7% respectively) the national average, whilst participation numbers from females in Tasmania is slightly above that of males (approx. 9k participants).









Source: Clearinghouse for Sport, accessed 11/12/2019 <https://www.clearinghouseforsport.gov.au/research/smi/ausplay/results/state>

Community infrastructure (Parks)

	Recommended response	Status	Priority (H,M,L)	Key points
1	Ongoing investment in National Parks and Reserves in the south east including: ▪ Implementation of the Freycinet Master Plan ▪ Ongoing cooperation between Parks, TasWater and Glamorgan Spring Bay Council to address sewage issues at Coles Bay ▪ Ongoing investment in road nodes for tourists to parks and view more safely ▪ Ongoing improvements to the gravel road to Fortesque Bay to improve sight lines, widening etc. ▪ Improvements to the Stormlea Road to Cape Raoul ▪ Improved sewerage, water and power supply for Maria Island ▪ A new ferry service to Maria Island with additional capacity ▪ Cooperation between Parks and Glamorgan Spring Bay Council continue to develop the Spring Bay Marina and jetty to improve services for vessels, the ferry – includes dredging, signage, marina works etc. ▪ Improvements to the northern section of Weilangta Road by Parks and the council road owners – Glamorgan Spring Bay (north) and Sorell (south) ▪ Ongoing investment in the Tasman including: • 3 Capes augmentation - Cape Raoul • Cape Huay - parking at Fortescue Bay for day-trippers • Improvements to Tasman's Arch to improve visitor amenity • Upgrade of Eaglehawk Neck Jetty & car park, Pirates Bay			• The Freycinet Master Plan has attracted $10.5M of capital works funding so far with a further $35M to come • A new Sewerage Scheme at Coles Bay would cost $30M • 40 road nodes to support additional tourists have been identified with an initial focus on the 'top 10' • The Fortescue Bay Road is a working forestry road and there is no foreseeable plan to seal this road • $6.5M has been allocated for mainly below ground infrastructure enhancements on Maria Island • GSB has invested in road works to their boundary. Sorell will not invest in the remaining 5 kms • Tasman is benefitting from ongoing investment in the 3 Capes and related day walks

= High priority = Medium priority = Low priority **I'm new**

= Not progressed = Underway = Well advanced = Completed

Community infrastructure (Recreation)

	Recommended response	Status	Priority (H,M,L)	Key points
1	Recreation Centre at Pembroke Park – Sorell, comprising: ▪ Levelling the playing field ▪ Amenity block for men and women ▪ Two court stadium	Underway	High priority	• $0.95M of funding approved • $8M-$8.5M required and some has been spent on the development.
2	Multi-purpose recreation centres in Clarence ▪ Bayview (Rokeby) ▪ Geilston Bay ▪ Seven Mile Beach	Underway	Medium priority	• Planning underway to advance one or more of these options • Being driven by growth in demand, especially female participation • Need for dual gender amenities • Clarence and Zebra merger • Some ageing facilities – Clarence Pool, Warrane basketball centre
3	Kellevie to Orford mountain bike track	Not progressed	Medium priority	• Requires $40k-$50k to achieve planning approval and prepare Business Case to attract funding. • $1.7M-$1.8M required to fund work

= High priority = Medium priority = Low priority **I'm new**

= Not progressed = Underway = Well advanced = Completed

Community infrastructure (Amenities)

	Recommended response	Status	Priority (H,M,L)	Key points
4	Develop other public/ social infrastructure to support growing visitor demands in townships. ▪ Infrastructure for cruise ship visits to Spring Bay ▪ Improved streetscapes, gardens, foot paths etc. ▪ Improved visitor centres - Triabunna, Swansea, Bicheno, Freycinet ▪ Upgrades of jetties, boat ramps etc. and improved supporting amenities such as parking, toilet facilities, fish cleaning areas at various locations including Coles Bay, Swansea and Pirates Bay ▪ Improved public amenities -'loos with views', parenting facilities etc. ▪ Improved and more coordinated/ cohesive signage	Underway	Medium priority	• Public/social infrastructure will be reviewed on an ongoing basis to ensure appropriate developments will be constructed • Dunalley Marina EOI process is underway • Swansea boat ramp is finalised • Marine infrastructure improvements are ongoing subject to MAST funding • Requires other upgrades to toilets and car parks • Continued investment by the Parks and Wildlife Service in Tasman

= High priority
= Medium priority
= Low priority
I'm new
= Not progressed
= Underway
= Well advanced
= Completed

Community infrastructure (Education)

	Recommended response	Status	Priority (H,M,L)	Key points
5	Continue to explore a range of measures that will address educational and child care challenges facing the region. Measures would include: ▪ Options to improve the perception and performance of the Sorell High School ▪ Investigate options to rebalance student numbers between in-zone and out-of-zone schools that are having adverse impacts on schools such as Cambridge Primary School ▪ Investigate pre-school and after school care options at schools and in the community more generally	Underway Underway Underway	High High High	• Student retention rate is 12-15% in Sorell, dropping to 8% and finally 3% from further proximity out of Sorell. • Dunalley School has struggled for student numbers since it has been rebuilt. • Catholic Education showing interest in a K-6 or K-12 development at Sorell • Catholic Education looking at option of extending MacKillop to years 11-12

= High priority = Medium priority = Low priority I'm new

= Not progressed = Underway = Well advanced = Completed

Community infrastructure (Emergency Management)

	Recommended response	Status	Priority (H,M,L)	Key points
6	Continue to engage in local and regional emergency management planning in light of the changing risk profile of the south east region and the need to not only design and construct new infrastructure, but also protect existing infrastructure. This would include but not be limited to: • Fully embracing the new proposed Emergency Management hub in Sorell • Ensuring all local Emergency Management Plan (EMP) are current and tested in practical exercises • Supporting the smaller and less resourced councils in the SERDA region to maintain their emergency management resources, capability and preparedness • Working closely with the SES and other emergency management stakeholder and infrastructure providers to maintain that state of readiness • Explore opportunities to develop a shared EMP for the SERDA region (or a sub-region e.g. Tasman, Sorell and Glamorgan Spring Bay) to share the resources and capability needed to support the EMP process in more remote councils in region			• The risk profile of the south east region is comparatively high for Tasmania due its dry location and other risk factors such as key dependency roads, large influx of tourists, strains on existing water and communications infrastructure • Notwithstanding, the South East Region is seen as being reasonably well prepared in terms of its emergency management planning

= High priority = Medium priority = Low priority **I'm new**

= Not progressed = Underway = Well advanced = Completed

KPMG

Energy and communications

Matters raised in discussions

Issues and pressure points

- Various stakeholders commented on the ongoing issues associated with the unreliable phone network coverage and internet connectivity in parts of the South East Region.
- The social services sector is impacted by the weakened communications in their ability to adopt apps that will improve services and productivity and contact clients.
- Visitors are impacted by the unfulfilled expectation that modern communications will be maintained throughout their entire journey throughout the South East Region.

Current and emerging plans

- This update study has not consulted with telecommunications providers. This remains an issue for the region, and the recommendations reflect a need for SERDA to continue to advocate for ongoing investments to improve this critical infrastructure.

Energy and communications

	Recommended response	Status	Priority (H,M,L)	Key points
1	Investigate options for the provision of gas supply to the eastern shore including Rosny Park, Mornington Industrial Estate and Cambridge Industrial Park.			• Growth in these precincts does not appear to be adversely impacted or impeded by energy supply
2	Continued advocacy to promote the need for upgrades to address black spot issues and internet connectivity in Tasman and Glamorgan Spring Bay.			• Upgrades are ongoing but residents, local businesses and visitors to these regions are severely impacted by the sub-standard communications services

= High priority = Medium priority = Low priority **I'm new**

= Not progressed = Underway = Well advanced = Completed

6. Where are the remaining or new pressure points?

What are the issues/ potential implications of those changes in the sectors and infrastructure enablers on the regional infrastructure strategy going forward?

Strategic opportunities and threats

The South East Region's strengths are largely unchanged, but some weaknesses remain…

Strengths…what you're endowed with

1. Natural scenic assets – Freycinet, 3 Capes etc.
2. Built tourism assets – Port Arthur, Richmond
3. Hobart Airport as a hub and driver for regional development
4. Water supply/ irrigation for agriculture is coming into in place
5. Abundant, clean water resources for aquaculture
6. Industrial/ light manufacturing capacity at Cambridge and Mornington
7. Private sector financial capacity
8. Roads are generally in reasonable condition
9. Coastlines, boat ramps and jetties
10. Climate for higher yielding products – e.g. viticulture, berries, apricots

Weaknesses…what you were/ are missing

1. Traffic flow - Sorell to Tasman Bridge, and to the Tasman Peninsula and East Coast
2. Freight transport routes including connection between Brighton and Cambridge
3. Limited public transport options from Sorell and linkage to other regional areas
4. Communication black spots on the Tasman Peninsula and no NBN to Cambridge
5. No natural gas infrastructure from Hobart
6. Need for water and sewerage to service growth at Sorell
7. Water and sewerage to southern beaches
8. Cambridge Primary at 125% capacity and others with surplus capacity
9. Jobs in the South East Region that keep people and economic activity in the region
10. Some social supports that residents in a growing peri-urban could expect to be in place

Strategic opportunities and threats

The South East Region offers an abundance of opportunities, but some of the threats remain real and can impact on the region's ability to maximise those opportunities…

Opportunities…what could be leveraged?

1. Expansion of agriculture on the back of the Coal River and Sorell Schemes and the Swan Valley Scheme (subject to supply)
2. Expansion of aquaculture on the back of the marine farming natural environment and to the airport.
3. Strong and growing tourism to the region with significant agri-tourism potential
4. A number of significant infrastructure development projects– SOLIS, Prosser River, Triabunna/ Spring Bay, TASSAL expansion, Kangaroo Bay, Sorell eastern growth corridor, Port Arthur and surrounds.
5. Antarctic related opportunities - tourism, research support etc. flowing from Hobart International Airport extensions/ improvements
6. Potential for new or road upgrades – Three Capes access, Richmond, Sorell by-pass, airport round-about
7. Various marina and jetty developments down the coast- coastal cruising

Key threats…what could hold you back?

1. Impact of population and added economic activity on commuter transport in the region
2. South East Region is not currently a State level priority – has equal status with other regions
3. Planning schemes could limit potential to sub-divide existing agricultural land into commercially viable agricultural lots and support future residential and commercial growth
4. Planning scheme delays impacting on potential residential development through STRLUS review and LPS process.
5. Availability of funding from State for major road works – focus on asset renewal/ maintenance
6. Availability of TasWater funding for strategic projects –focus on asset renewal/ maintenance
7. Cyclical tourism – still peaks and troughs in regions
8. Potential conflicts between aquaculture expansion and the environment
9. Drought impacting the east coast, impacting water supply and escalating the risk of fires

The key industry forces and trends

The updated regional SWOT helps to focus on the key influences on industry sectors in the region…

Tourism & accommodation

1. Forecast increase in visitor numbers from 1.3M to 2M by 2030
2. Improved access to Tasmania through air and sea
3. The rise of AirBnB in the regions
4. Attracting and accommodating workers
5. A number of a significant 'attractor' developments in the pipeline
6. Cyclical tourism with seasonal and daily peaks

Social services

1. Ageing population in the more remote parts of the south east
2. Increasing demand for aged and health care
3. Increased demand for child care/ after school care
4. School students travelling outside of region
5. Lack of affordable housing
6. Increasing need for health and allied care services in a region with growing demands
7. Public transport access and affordability

Forces driving infrastructure

Primary industries

1. Continued expansion through the south east built on access to irrigation
2. Drier climate and shift to higher yield products
3. Growth of agri-tourism
4. Fairly static fisheries sector
5. Constraints on significant further expansion of aquaculture
6. Direct export capability from the airport
7. Attracting and accommodating workers

The 'Traditional' sectors

1. Construction and manufacturing tending to 'tick along'
2. Wholesale and retail tending to 'tick along'
3. Some growing pressure on retail through on-line channels
4. Good supply of land to support investment in the commercial precincts – Cambridge and the Airport

The key infrastructure pressure points

The updated regional SWOT helps to focus on the key pressure points and inform the Infrastructure Strategy

Roads and transport

1. South East Transport Corridor implementation remains a priority
2. Arthur Highway to Port Arthur needs continuing improvements
3. Tasman Highway, especially Swansea to Bicheno needs ongoing improvements
4. Richmond Road requires ongoing investment
5. Public transport from Sorell needs further development
6. Ongoing investment in infrastructure to support commercial freight is required

Irrigation

1. Considerable investments made in the South East Scheme and the Swan Valley Scheme but signs of additional demand still needing to be met
2. Growing pressure for TasIrrigation and TasWater to separately source water
3. Opportunities to connect up separate scheme and expand in strategic locations where demand is proven

= High

= Moderate

= Low

Water and sewerage

1. Tasman & Port Arthur Scheme to be augmented and potentially taken over by TasWater is a priority
2. A solution for Coles Bay water and sewerage is a priority
3. Water supply to GSB region needs security in light of dryer climate and reduced water flows
4. Improved capacity to supply/service growth of Sorell

Energy

1. Generally appears to have not emerged as a significant pressure point in the south east.
2. Some risk to energy supply in the more remote regions during emergency events remains a high order risk

The key infrastructure pressure points

The updated regional SWOT helps to focus on the key pressure points and inform the Infrastructure Strategy…

Residential and commercial land

1. The rise of AirBnB has impacted on housing supply in the more remote locations and driven up the cost of the limited longer term rental options

Airport

1. The 2020 Master Development Plan provides a structured infrastructure investment program over coming years, which aims to put in place infrastructure that will support:
   - The projected growth in passenger movements
   - Additional cool store and handling capacity to capacity to support additional freight
   - Expanded Antarctic operations
   - Additional commercial and retail development

Communications

1. Network coverage to Glamorgan Spring Bay and Tasman
2. Power reliability and network coverage to Tasman

Community infrastructure

1. Parks and amenities to support growth in population, visitors and growing sports participation

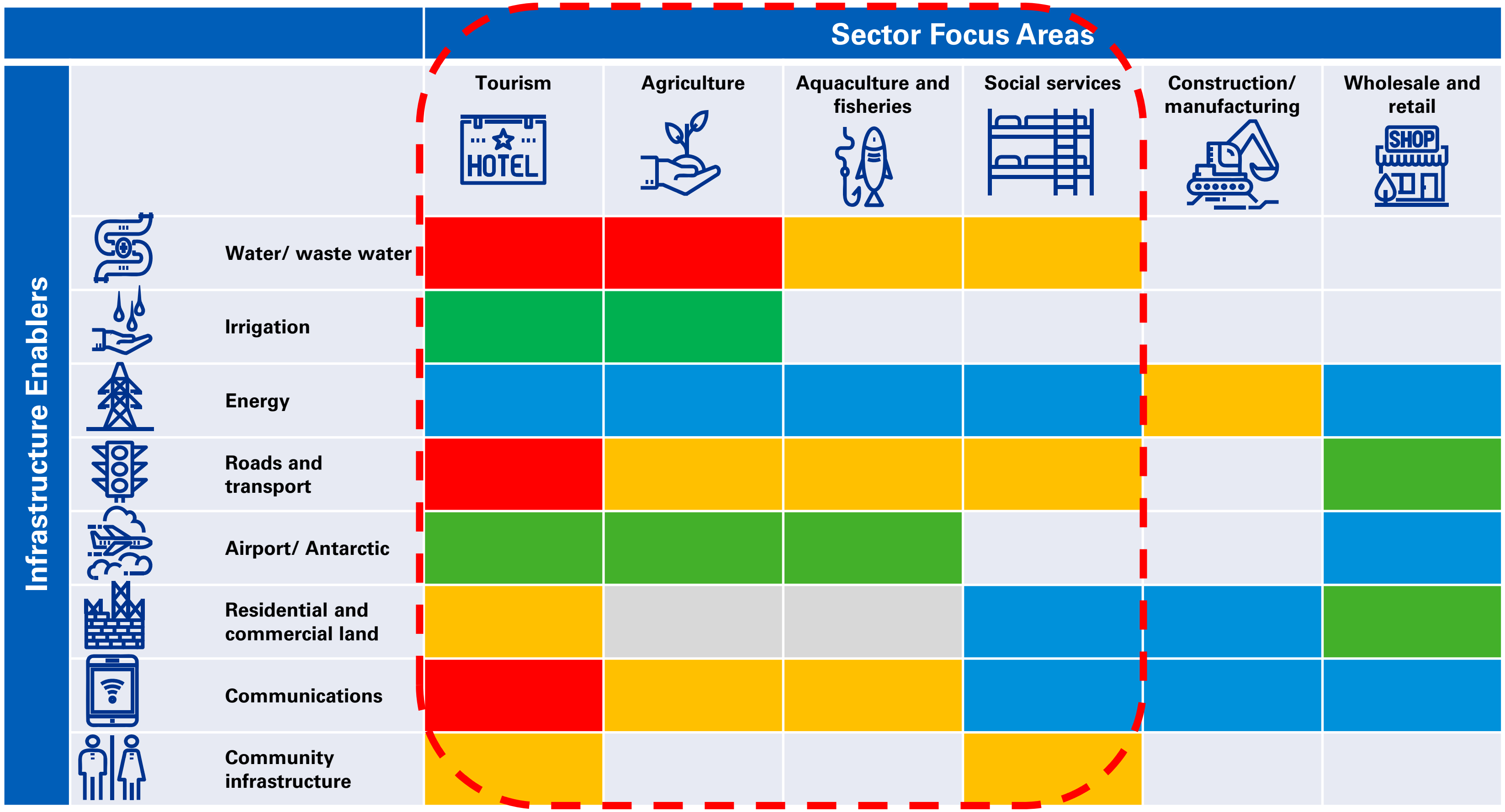
= High

= Moderate

= Low

Pressure points by sector & infrastructure areas

Key pressure points that have emerged in this 2020 update of the Infrastructure Strategy are highlighted below. Roads, water, housing supply, communications and community infrastructure are higher priorities.



= critical to sectors & under high pressure

= important to sectors & under moderate pressure

= critical to sectors & making progress

= relevant to sectors & making progress

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7. What now needs to be done?

What additional responses should be considered to ease the pressure points (disconnects) between the sectors and the enablers?

Recommendations (1/3)

Given the industry sector outlooks, and existing and new emerging pressure points, what should be done to continue to advance the south east region's enabling infrastructure? Some carry over from 2015, but other new recommendations have emerged…

Water and waste water	1. Continue to influence TasWater to prioritise investment in water and sewerage schemes in regional towns that are coming under increasing pressure from growth and increased visitors demands (visitor accommodation and other day use demands) 2. Continue to press for TasWater to take over the Port Arthur Historic Site Water and Sewerage Scheme and bring forward investment to improve the capacity of the services 3. Continue to influence TasWater to explore waste water re-use schemes to support agriculture in the south east
Irrigation	1. Develop priority responses to the growing risks of drought as part of a holistic response to the impact of climate change in the south east and add support for development of new water supply and infrastructure in key areas 2. Continue to add regional support for the full separation of Tas Irrigation from its reliance on TasWater water supply and infrastructure 3. Monitor progress and add support for TI to develop a fully integrated SE Scheme, and potentially for the full integration of the South East and Southern Midlands Schemes
Energy	1. Maintain ongoing upgrades to the south east region's energy supply to align with the forecast growth in demand by residents and visitors to the region 2. Advocate for priority investment on the Tasman and Forrestier Peninsulas to shore up energy supply
Roads and transport	1. Continue to press for the implementation of the South East Traffic Solution 2. Continue to advance planning and design for infrastructure/ services to increase public transportation utilisation – bus lanes, park and ride, shelters, kerb and guttering etc. (including service affordability) as required to ease demand on road infrastructure 3. Continue to make upgrades to key visitor touring routes – Richmond, Great Eastern Drive and Arthur Highway

Recommendations (2/3)

Given the industry sector outlooks, and existing and new emerging pressure points, what should be done to continue to advance the south east region's enabling infrastructure. Some carry over from 2015, but other new recommendations have emerged…

Airport	1. Continue to work constructively with the Hobart Airport through the planning and execution of its 2020 Master Development Plan 2. Develop strategies to attract resident workers to the south east to support the growth in jobs at the Hobart Airport precinct 3. Continue to advance initiatives that support the State's broader industry focus on growing its Antarctic support capability
Residential and commercial land	1. Conduct constructive dialogue with State Government and other urban councils to developed a shared understanding of the need to balance peri-urban growth and economic sustainability with broader regional needs to maximise infill development 2. Develop innovative responses to the rise of AirBnB and the loss of short and longer term rental accommodation for employees in the south east 3. Develop a clear regional appreciation of the impact of key residential and commercial land releases and associated developments in the south east, having regard to any constraints imposed by the Southern Tasmanian Regional Land Use Strategy. most notably: 1) Land that will become available at Sorell with the development of the Sorell By-Pass 2) Land that will become available at Droughty Point in Clarence with the extension of Oceania Drive from Tranmere to Rokeby 3) Land that will become available with highest and best alternative uses given to the existing Rosny Park Golf Course and Charles Hand Park, along with the developments now set to occur at Kangaroo Bay in Clarence
Communications	1. Continue to advocate for ongoing improvements to the South East Region's communications infrastructure in order to address weak/ slow internet connectivity and the remaining black spots that exist, in light of the growing attraction for people to live and work remotely, and the heightening connectivity expectations of visitors

Recommendations (3/3)

Given the industry sector outlooks, and existing and new emerging pressure points, what should be done to continue to advance the south east region's enabling infrastructure. Some carry over from 2015, but other new recommendations have emerged…

Community infrastructure

1. Continue to advocate for, and develop expanded community infrastructure to support the increasing demands for aged and disability support services, health care and child care in the South East Region
2. Continue to promote investment in education infrastructure and teaching capability to attract more students to pursue their K-12 education the south east
3. Coordinate the objectives and plans of Sorell and Clarence in relation to proposals for regional sporting facilities at Pembroke Park, Bayview, Geilston Bay and Seven Mile Beach
4. Develop a regional strategy to address the emerging risks of climate change on drought affected and coastal (low lying) areas in the south east
5. Continue to develop national parks and related public infrastructure to support growing visitor and retiree demands in townships, including, but not limited to:
   a) Ongoing investment in the national parks, especially in those pressure points of Freycinet/ Coles Bay, Triabunna/ Maria Island and the Tasman Peninsula
   b) Improved streetscapes, gardens, tree plantings, foot paths etc. to be more appealing to visitors
   c) Contemporary visitor information and services at Triabunna, Swansea, Bicheno, Freycinet and other popular visitor destinations, having regard to the high cost of operating traditional Visitor Information Centres
   d) Upgrades/ replacements of jetties, boat ramps etc. and improved supporting amenities such as parking, toilet facilities, fish cleaning areas, in collaboration with MAST
   e) Ongoing investment in public amenities, toilets, baby changing facilities etc. with funding support as required from Federal and State Governments
   f) Improved and more coordinated/ cohesive visitor and roads signage

Appendix 1

Consultations

Consultations -Participants

Stakeholder	Sector	Enabler	Contact
Sorell Council		Multiple	Kerry Vincent/ Robert Higgins/ Russell Fox Andrew Hyatt (SERDA)
Tasman Council		Multiple	Kim Hossack/ Kelly Spaulding
Glamorgan Spring Bay Council		Multiple	Chris Schroeder/ Debbie Wisby
Clarence Council		Multiple	Doug Chipman/ Adam Saddler
Destination Southern Tasmania	Tourism		Alex Heroys
East Coast Regional Tourism	Tourism		Rhonda Taylor/ Allison Wallace
Tas Irrigation		Irrigation	Andrew Kneebone
TasWater		Water/ waste water	Eamon Tiernan
Tassal	Aquaculture		Mark Asman
Tasmanian Seafood Industry Council	Aquaculture		Julian Harrington

Consultations -agreed participants

Stakeholder	Sector	Enabler	Contact
Department of State Growth- Roads and Transport Division		Roads and transport	Shane Gregory/ Martin Blake
Infrastructure Tasmania		Multiple	Allan Garcia/ Alison Turner
Parks and Wildlife Service	Tourism		Jason Jacobi/ Andrew Roberts
Hobart Airport	Antarctic support	Airport	Matt Cocker
East Coast Primary Producers	Agriculture		Henry Dunbabin
Port Arthur Historic Site	Tourism		Stephen Large
South East Community Care	Social services		Helen Pollard
State Emergency Services		Multiple	Mark Nelson

Appendix 2

Infrastructure Tasmania Pipeline

Private sector interface with the Pipeline

Project	Location	Value	Status
Bayport Group Spring Bay redevelopment* (formerly Solis)	Spring Bay	$45 million	Business Case
Chambroad Kangaroo Bay Hotel and Hospitality Training Centre*	Bellerive	$85 million	Design
Fragrance Group Collins St Hotel	Hobart	$60 million	Business Case
Federal Group Port Arthur luxury hotel*	Port Arthur	$25 million	Concept
Hedberg Creative and Performing Arts Centre	Hobart	$96 million	Construction
Hyatt Centric Hotel, Elizabeth Street	Hobart	$40 million	Construction
Intercontinental Hotels Group Crown Plaza, Icon Complex	Hobart	$45 million	Construction
Kingston Park Project	Kingston	$300 million	Business Case
Marriot Tasman Hotel, Parliament Square	Hobart	$50 million	Construction
MONA Dark Lab Hobart (Odeon/Tattersals redevelopment)	Hobart	$200 million	Construction (Stage 1)
MONA Hotel and Casino	Berriedale	$400 million	Concept
Mount Wellington Cable Car	Hobart	$54 million	Business Case
Remarkable Lodge, Crescent Bay*	Port Arthur	$20 million	Design
Fragrance Group Macquarie St hotel	Hobart	$30 million	Design
Sixty Six Burnett Street	Hobart	$78 million	Construction
University of Tasmania City Centric Campus	Hobart	$600 million	Business Case
University of Tasmania Student Accommodation Melville Street	Hobart	$50 million	Design
Vibe Hotel and Suites	Hobart	$46 million	Construction
Total		**$2.224B**	

South Eastern Projects totalling $150M (6% of total investment)

Government sector horizon projects

Project	Location	Value	Status
Battery of the Nation and Project Marinus	State-wide	$6.5 billion	Concept
Hobart City Deal (including Bus Transit Centre, Derwent ferries and Northern Suburbs Transit Corridor)	Hobart	Unknown	Concept
Macquarie Point Development	Hobart	$1.5 billion	Business Case
Treasury Building repurposing	Hobart	Unknown	Concept
Total		**$8 billion**	

The linkages to South Eastern region will be aided by the Hobart City Deal

Pipeline projects

Project	Location	Value ($m)	Status
Three Capes Track Stage 3	Tasman Peninsula	8	Construction
Kingborough Sewerage Strategy - Treatment & Network	Kingborough	53	Construction
Glenorchy Ambulance Station	Glenorchy	6	Business Case
Sorell Emergency Services hub	Sorell	12	Concept
New Norfolk police station	New Norfolk	5	Design
Richmond Road upgrade	Richmond	24	Procurement
Realignment of Channel Highway in Huonville	Huonville	8	Business Case
Overtaking lanes on Arthur Highway at Ironstone Creek Rivulet	Sorell/Tasman	5	Construction
Hobart Airport Landside capital	Cambridge	231	Construction
Hobart Airport Airside capital	Cambridge	91	Construction
Trades and Water Centre of Excellence	Clarence	7	Design
Taroona High redevelopment	Taroona	5	Procurement
Landsdowne Crescent Primary School	West Hobart	5	Concept
Royal Hobart Hospital Stage 2 Redevelopment	Hobart	91	Business Case
Royal Hobart Hospital Redevelopment Project - remainder	Hobart	82	Construction
27 New Mental Health Beds in Southern Tasmania	Hobart	21	Concept
New Southern Remand Prison	Risdon Vale	70	Business Case
Antarctic Precinct	Hobart	60	Business Case
Hobart Public Ferry Terminals	Bellerive	10	Business Case
Selfs Point Fuel Fire Control System	Hobart	6	Design
Indoor multi-sports facility	Greater Hobart	10	Business Case
South East Traffic Solution (ROSI)	Sorell	162	Planning
Tasman Highway, Hobart Airport Interchange	Cambridge	30	Procurement
Sealing Bruny Island Main Road and waste collection points	Bruny Island	8	Design
Greater Hobart upgrades	Greater Hobart	7	Concept

Pipeline projects

Project	Location	Value ($m)	Status
Bryn Estyn Water Treatment Plant upgrade	Greater Hobart	206	Procurement
Brighton High School build	Brighton	30	Concept
New K-12 Sorell School	Sorell	22	Design
Huon Highway, Hobart Southern Outlet fifth lane	Kingston	35	Business Case
East Derwent Highway Duplication at Geilston Bay	Clarence	21	Design
Macquarie St, Clearway	Hobart	16	Business Case
Tasman Bridge active travel improvements	Hobart, Eastern shore	14	Concept
Southern Outlet, Tasman, Brooker, Hobart - City Link Intelligent Transport System	Greater Hobart	20	Business Case
Sorell Midway Point Strategy	Sorell	10	Concept
Revitalising Cosgrove High School	Moonah	20	Concept
T13 & T14 supply transformers – replacement	Boyer	5	Concept
Risdon Prison Shared Facilities Upgrade	Risdon Vale	9	Concept
Bridgewater Bridge replacement	Bridgewater	576	Business Case
Relocation of Macquarie Point Treatment Plant	Hobart	150	Concept
Ridgeway dam upgrade	Greater Hobart	15	Concept
Cruise Terminal Precinct - Macquarie Wharf 2/3	Hobart	30	Concept
Fenton Major Upgrade/Replacement	Greater Hobart	138	Concept
Fern Tree Water Treatment Upgrade	Greater Hobart	70	Concept
Hobart CBD 11 kV supply development)	Hobart	7	Concept
Brighton Sewage Treatment Plant Upgrade	Brighton	13	Concept
Total		**$5.625B**	

South Eastern Projects totalling $688M (12% of total investment)

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