GOVERNANCE 3

Reference No. 69/2019

NORTHERN TASMANIA REGIONAL PRIORITY PROJECTS – 2019 FEDERAL ELECTION ADVOCACY

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GENERAL MANAGER

1) Recommendation

It is recommended that Council endorse the Regional Priority Projects identified by the Northern Tasmania Development Corporation INC, nominated for Federal Election advocacy, as follows:

- Population Program
- Translink Launceston Gateway
- Fermen Tasmania Centre
- Bioenergy Plant Westbury
- Hydrogen Energy

2) Officers Report

The Northern Tasmania Development Corporation Inc (NTDC) is seeking a region wide expression of support for the five Tier 1 regional priority projects that have been nominated by NTDC for Federal election advocacy.

The attached spreadsheet provides a brief overview of all the Tier 1 projects that have been identified by NTDC. Each project has been given a ‘NTDC score’ which is determined in accordance with the NTDC Project Prioritisation Process (as approved by NTDC members in May 2017).

The methodology to determine the NTDC score is a process designed to identify and prioritise regional projects that will facilitate high levels of regional economic growth.

Based on the assessment criteria below, each project is given a score out of one hundred:

- Economic Growth and Capacity (-/40)
The five Regional Priority Projects that NTDC are recommending to be prioritised in any advocacy that the region might undertake in the lead up to the Federal Election in May 2019 are:

- Population Program – which will address the need to increase the working age population in Northern Tasmania
- Translink Launceston Gateway
- Fermen Tasmania Centre
- Bioenergy Plant Westbury
- Hydrogen Energy

Each project provides an economic and social opportunity for the region. A strong region helps underpin growth and opportunity in Meander Valley. The Bioenergy Plant at Westbury provides a local opportunity to create jobs, produce renewable energy, and attract investment at Valley Central.

3) **Council Strategy and Policy**

Furthers the objectives of the Council’s Community Strategic Plan 2014 to 2024 in particular:

- Future direction (2) - A thriving local economy
- Future direction (5) - Innovative leadership and community governance

4) **Legislation**

Not applicable.

5) **Risk Management**

Not applicable.

6) **Government and Agency Consultation**

Not applicable.
7) Community Consultation

Not applicable.

8) Financial Consideration

Not applicable.

9) Alternative Recommendations

Council can elect to not support the recommendation.

10) Voting Requirements

Simple Majority

DECISION:
### Top Regional Projects Ready for Federal Election Advocacy

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Description</th>
<th>Value</th>
<th>Start</th>
<th>Complete</th>
<th>NTDC Score (100)</th>
<th>Funding Request</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Strategy</td>
<td>Northern Tas.</td>
<td>Population Taskforce Strategy includes a number of pilot projects over the next 2 years to address the need to increase the working age population in Northern Tasmania; - Small business attraction program - Interivate skills program - Skills retention strategy - International talent attraction &amp; retention (Welcoming city &amp; region strategy) Proposal will include a program co-ordinator</td>
<td>$500k</td>
<td>2019</td>
<td>2021</td>
<td>79</td>
<td>Federal - $500k (50k/yr over 2 yrs) State - $100k (50k/yr over 1 yrs) NTDC - $10k (in cash and in-kind project management) Councils - $50k (5k/yr over 2 yrs)</td>
<td>This has been in discussion with Councils now for the past 6-9 months</td>
</tr>
<tr>
<td>Bioenergy Plant</td>
<td>Valley Central (MVC)</td>
<td>A $10-$50 million facility (depending on demand) could deliver industrial development clustering at Valley Central worth hundreds of millions to the region. Prefeasibility Stage underway to firm up business case. AD and combustion will be separated. AD likely to proceed. Combustion is unlikely to proceed in the near term even with significant capital investment from government. Funding request for CV/State Regional Growth underway. ARENA is involved in this project which provides additional credibility.</td>
<td>$20-50m</td>
<td>2019</td>
<td>2019</td>
<td>60</td>
<td>Seeking $2M for Stage 1 Anaerobic Digester of Total $20M project</td>
<td>MVC progressing seeking grants to develop proposal further.</td>
</tr>
<tr>
<td>Hydrogen Energy Proposal</td>
<td>Bell Bay (BTC)</td>
<td>Electrolytic hydrogen production and export - using Tasmania's renewable bioelectric, solar and wind resources to produce electrolyser based hydrogen energy from Tasmania's natural water supplies. Hydrogen production could become a new and substantial export industry for Tasmania and the Bell Bay industrial precinct is a priority location for hydrogen production and export. Hydrogen is a viable addition to the energy mix, so it will be implemented. Federal funding is currently focused on supporting Project Marlinus as it is already established - National agenda is progressing (COAG) - Tasmania's Hydrogen Proposal needs more advocacy to get started in developing business case so that we can convert our potential to meet market needs.</td>
<td>-&gt;1B</td>
<td>2020</td>
<td>2030</td>
<td>59</td>
<td>Seeking $500K funding to undertake Scoping Study (Pre-Feasibility) Federal - $250K State - $200K NTDC/Councils - in-kind $50K (project management)</td>
<td>Hydrogen Economy Opportunity has been prepared by JWP</td>
</tr>
<tr>
<td>Fermentation and Food Precinct</td>
<td>Legana (WTC)</td>
<td>A Centre of Excellence for Fermentation – including shared equipment facility, training, and visitor engagement. Also a Food Precinct area in the Northern Region is required. Fermentas will seek to stimulate the growth of the fermentation industry and associated compatible businesses through the establishment of an incubator facility which will be collaboration driven and will represent a mix of fermentation technologies. A world-class, regional economic driver that assists to position Tasmania and Australia globally by: generating new fermentation-based businesses and opportunities; supporting university-industry research collaborations; encouraging entrepreneurship and innovation; creating tourism opportunities around the making and appreciation of fermented products. Commence design June 19 &amp; construction in early 2020.</td>
<td>$10M</td>
<td>2019</td>
<td>2021</td>
<td>71</td>
<td>seeking $10m over 3 yrs Federal - $5m State - $1m Councils - contributed thru NTDC &amp; in-kind also potential land/site contribution by West Tamar Council</td>
<td></td>
</tr>
<tr>
<td>TRANSLink Launceston Gateway Project</td>
<td>Breadalbane (NMC)</td>
<td>The TRANSLink precinct is rapidly developing as a high-quality industrial, business and transport location. The precinct is adjacent and surrounding Launceston Airport – the largest freight operation in Tasmania. Improvements are required to improve access, stormwater management, provide additional lots and an intermodal facility, rail spur and gas reticulation. Bruce (CoL) assisting with economic case - greater detail required. Working with TasRail - investigating options for rail spur &amp; relocation of TasRail yards. Increased advocacy required to develop TasRail proposition in a timely manner. NMC are asking for the following: 1. TRANSLink Stormwater Renewal Master Plan including the creation of the missing road link between TRANSLink Avenue and TRANSLink Avenue South) 1 project cost is $5.482.805 1 two TRANSLink businesses have committed $1.215.780 to the project and Council has committed $1.525.623 1 funding source for the remaining $2.741.402 is sought 2. Launceston Gateway Precinct gas reticulation: $2.2 million 3. Expansion of TRANSLink area to the south, including progressing the preliminary concept plans for a TRANSLink Intermodal Facility that would include a 24/7 freight hub and a new railway line extending from the existing line for access to a concrete apron for loading/unloading, a warehouse and administration building. This proposal has yet to be released for community consultation – estimated project cost $70.4 million.</td>
<td>$75M</td>
<td>2020</td>
<td>2020+</td>
<td>76</td>
<td>Total seeking: $75.34M Next Stage Stormwater upgrades: Seeking Commonwealth - $2.74M NTDC - $5.34M in total - businesses have committed $1.2m and Council $1.54M 2 Gas Reticulation: $2.2 million 3. Expansion of TRANSLink area to the south, including progressing the preliminary concept plans for a TRANSLink Intermodal Facility that would include a 24/7 freight hub and a new railway line - estimated project cost $70.4 million.</td>
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**GOV 3**
### Other Priority Projects - Not Ready for Federal Election Advocacy

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Location</th>
<th>Description</th>
<th>Funds Required</th>
<th>Year Commencing</th>
<th>Year Ending</th>
<th>Status</th>
<th>Notes</th>
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<tbody>
<tr>
<td><strong>Launceston Sewerage Improvement Project (LSIP)</strong></td>
<td>Launceston (CoL)</td>
<td>State &amp; Federal Governments have committed around $95m (between the two levels of govt) to reduce the high level impacts of the combined system. The planned spend period is 3-5 years. This level of spend will not guarantee that in a “major” rainfall event that there will be no spillage of raw effluent (albeit heavily diluted) into the Tamar. The LSIP project scope cannot be finalised until further investigation and feedback is provided from the EPA. Hence we are not in a position to put a formal funding proposal to the commonwealth. The LSIP will address the challenges of ageing infrastructure, increased environmental standards and population growth. It aims to deliver a financially, environmentally and socially sustainable sewerage system for the greater Launceston community and generations to come. This project is set to be one of TasWater’s largest infrastructure projects in the state. $200-$300M capital project (3 Options currently under study), part of $830M capital works in Tas over next 5 years. Impacts future of 7 Sewerage Treatment Plants located in West Tamar, Launceston and Meander Valley. Also potentially involves separating the sewerage and storm-water systems in future. TasNetworks Capital Delivery Program (CDO) office, Alliance Leadership Team (ALT) has been appointed, operational from July 2019.</td>
<td>$300m</td>
<td>2019</td>
<td>2029</td>
<td>Not ready to request additional funding</td>
<td>Given the Launceston combined system is fully funded by the state and federal governments, it is highly unlikely that the commonwealth would consider providing funding for the LSIP project as well.</td>
</tr>
<tr>
<td><strong>Launceston Co-Located Private Hospital (with LGH)</strong></td>
<td>Launceston</td>
<td>A new Private Hospital that supports the Regional LGH facility and ensures better utilisation, attraction and retention of specialists, improved status of training certification and shared resources with LGH. The new facility would replace the existing private health provider’s St Luke’s and St Vincent’s hospitals in Launceston. State Govt have announced upgrade of LGH facilities in the 2018 Budget. Calvary have until June 2019 to submit proposal. Parking &amp; traffic requirements to be addressed by CoL.</td>
<td>$100m</td>
<td>2020</td>
<td>2022</td>
<td>Private development</td>
<td>OCG is facilitating (advocating b/w Calvary &amp; State Govt).</td>
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<tr>
<td><strong>Bell Bay Maritime Maintenance Hub</strong></td>
<td>Bell Bay</td>
<td>Combination of Defence &amp; Merchant Shipping work, potentially as follows; 2020 - Southern Marine Ship Lift - Business Relocated to Bell Bay with larger facility and more land area (enables existing business to double in size – similar size vessels but more of them – estimated revenue ($30M/year) 2021 - HMAS Success and HMAS Sirius - Asset Disposal : Ship Preparation and Cleaning Contracts 2021 - Defence - Maritime Services Sustainment Contract (DMSS) (10 year contract currently valued at 68M/yr) 2021 - TT Line - New Ferries - Sustainment Contract (current undertaking is expected to be $50M/year) 2022 - Australian Based Cruise Ships National Dry Dock and Associated Repair/Maintenance Hub (Project of National Significance) SML owns land at Kings Wharf &amp; are landlords to other business - so case to move them to Bell Bay is complicated. Bell Bay location allows for SML x business capacity facilitating local industry participation.</td>
<td>$300m</td>
<td>2019</td>
<td>2022</td>
<td>Not defined</td>
<td>OCG advocating as option for Bell Bay investment attraction Steve Gilmour (State advocate) working with Tasports &amp; SML. JWP working with Cradle Coast authority re. options for maintenance of new TTLine vessels at Bell Bay.</td>
</tr>
<tr>
<td><strong>Marinus Link</strong></td>
<td>Bass Strait</td>
<td>A second electrical interconnector cable between Tasmania and Victoria (sub-marinal Bass Strait) provides energy security for Tas, and underpins a Renewable Energy ‘Battery of a Nation’ Strategy to supply electricity to mainland Australia, helping the NEM transition to a low carbon future. A $20M feasibility &amp; business case, jointly funded by State and Commonwealth (TasNetworks, in partnership with ARENA) is currently underway – ‘Project Marinus’. A detailed business case assessment including funding models, operational framework, regulatory changes and user cost implications will be addressed in Final Proposal due Dec 2019. Additional $56m provided by Federal in Feb 2019 to fast track design &amp; proposal, to ensure it is investment ready in 2021, which is necessary to meet projected national energy requirements. Aiming to secure funding early 2021 and commence construction immediately (2yrs), the earliest it is likely to be in service is 2025. Infrastructure Australia Project of National Significance - Level 2. TasNetworks is confident it will be built.</td>
<td>$3.1b</td>
<td>2021</td>
<td>2025</td>
<td>Funded at this stage</td>
<td>TasNetworks (Project Marinus) leading project</td>
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<tr>
<td>Project Name</td>
<td>Location</td>
<td>Description</td>
<td>Cost</td>
<td>Start</td>
<td>End</td>
<td>Status</td>
<td>Notes</td>
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<td>Direct International Communications link</td>
<td>International waters</td>
<td>Provides greater security for our communications/data connections – and provides a more compelling narrative for Northern Tasmania’s Innovation positioning and IT business attractor.</td>
<td>$50M</td>
<td>2021</td>
<td>2025</td>
<td>Not ready</td>
<td>State Growth still have this on this agenda (Stan Korrigan).</td>
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<tr>
<td>Organic Milk Processing</td>
<td>Northern Tas.</td>
<td>This will be triggered by particular volumes of organic milk. Concept planning is underway. Advocacy required with industry &amp; business case proposals need to be investor ready.</td>
<td>$30M</td>
<td>2022</td>
<td>2023</td>
<td>Not ready</td>
<td>Gregg Bott leading industry development.</td>
</tr>
<tr>
<td>Sealed Road from St Helens to Ansons Bay</td>
<td>Break o Day</td>
<td>A concept at this stage - 47km of dirt road to be sealed, including causeway @ Ansons Bay - providing access to valuable &amp; productive farm business. Private developer has indicated $200M investment interest (land is available to sell). Dairy &amp; Beef business. State, Federal, Council &amp; Farmers Federation support. Needs to be considered as Infrastructure Australia priority. Council facilitating this, not progressed to the Business Case stage due to the need to progress discussions to determine the Agricultural potential in this area.</td>
<td>$7</td>
<td>2025</td>
<td>2027</td>
<td>Not ready</td>
<td>BoD Council overseeing progress.</td>
</tr>
<tr>
<td>Northern Tas Data Centre</td>
<td>Bell Bay</td>
<td>Attracting an investor to establish &gt;10MW data centre. based on the region’s superior access to IT capacity &amp; energy.</td>
<td>$100-50M</td>
<td>2022</td>
<td>2025</td>
<td>Not ready</td>
<td>OCG (John Rowlings) working on business case.</td>
</tr>
<tr>
<td>Australian Defence Innovation &amp; Design Precinct (DIP)</td>
<td>Maritime College, Newnham</td>
<td>The Defence Innovation and Design Precinct will include facilities for performance testing and evaluation to support integrated sustainment and end-to-end solutions for Defence-related work. Precinct will catalyse the clustering of new industry partners, as well as trigger start-up activity. 3 thematic areas of DIP competitive advantage (integrated sustainment, smart defence and human factors). The DIP concept provides opportunities for existing businesses to develop new products and grow their operations and potentially for a whole new sector to develop over time. Aim to further enhance the University’s capabilities and facilities in a way that enables Tasmanian and other businesses to increase their productivity and competitiveness in the defence sector and in so doing, allow Tasmania to contribute effectively to Australia’s national defence agenda.</td>
<td>$50M</td>
<td>2020</td>
<td>2025</td>
<td>Not ready</td>
<td>New UTas proponent will progress. UTas current priority is new Inveresk site, so they are not in a position to advocate strongly at this time.</td>
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