



## Proposal Summary (2 pages, excluding maps)

Initiative Name:	Hobart: a world-class, liveable waterfront city
Location (State/Region(or City)/ Locality):	Hobart, Tasmania
Name of Proponent Entity:	Tasmanian Government
Contact (Name, Position, phone/e-mail):	Elizabeth Jack, Deputy Secretary, Department of Economic Development, Tourism and the Arts; <a href="mailto:Elizabeth.Jack@development.tas.gov.au">Elizabeth.Jack@development.tas.gov.au</a> , (03) 6233 5820, 0419 553 598
Project Description:	<p>Hobart: a world-class, liveable waterfront city</p> <ul style="list-style-type: none"> <li> <p><i>Provide a 2-3 paragraph description of the initiative and the capability it will provide. The description needs to provide a concise, but clear description of the initiative's scope. Include two maps (in pdf format) showing the location of the proposal, one showing the broader area within which the initiative sits, and one showing the initiative in more detail. As part of the submission, attach Geographic Information System data for the initiative (either in Map info tab or mif format, or ESRI shape file or geo-database format), where available.</i></p> </li> <li> <p>The <i>Hobart: a world-class, liveable waterfront city</i> initiative establishes a vision for the revitalisation of the Hobart waterfront and the transformation of the city of Hobart into an accessible, creative place, renowned for innovative research and learning. The vision was developed as a four-stage project, to be achieved over a 15-year period.</p> </li> <li> <p>The submission was initially lodged in October 2009 under the 'Transforming Our Cities' theme and, following consideration by Infrastructure Australia, was assessed as seeking to address a nationally significant issue, while being at the 'early stage' of the development process.</p> </li> <li> <p>The purpose of the first three stages in the initiative is to build on Hobart's role and current port activities to further develop Hobart as an international Antarctic and southern ocean gateway, thereby contributing to Australia's economic growth.</p> </li> <li> <p>Stage one involves the further development of inner port and airport facilities to support the seagoing and airlink operations of current and potential future Antarctic research programs. The second stage seeks to advance Hobart's capabilities as a world-class centre for research and learning by transforming Hobart into a 'knowledge and living city', and to further develop Hobart's international Antarctic gateway status. The third stage involves development of the working port to increase its capabilities to service other East Antarctic nations and improve freight handling and lay-up capacity for larger vessels. The fourth stage involves revitalisation of the urban environment to realise the objectives outlined in the Hobart City Council's 2025 Strategic Framework and create a vibrant city for visitors and residents alike.</p> </li> <li> <p>Since the submission was lodged in October 2009, work has continued on the respective elements of the initiative. <b>This current submission should be regarded as a progress report and update only.</b></p> </li> <li> <p>The concept for stage one retains its focus on further developing Hobart's role as an international Antarctic gateway and marine service centre, with work continuing on the benefit cost analysis and economic and social value assessment of this aspect of the project. A complete benefit cost analysis and economic and social modeling will now be undertaken on the other components of the initiative, providing a consolidated package of all port (and airport) infrastructure.</p> </li> <li> <p>The scope of the redevelopment of Macquarie Wharf No. 2 shed is an important component of the initiative and is currently under review to determine its exact function and design. This will be informed by the Antarctic Sector Development Plan (ASDP), which is currently being developed and is due for completion in February 2011.</p> </li> <li> <p>While the initial intention was to proceed with the key infrastructure elements in three distinct stages, the timing of these developments is now converging. As a consequence, the first three stages will now be rolled into one consolidated stage. The other infrastructure initiatives to be progressed in this respect include further development of the Antarctic airlink to contribute to the effective servicing of (and support for) Antarctic research and development, and the redevelopment of the Macquarie Point railyards.</p> </li> </ul>

- The Tasmanian Government will continue to invest in the underlying analysis and detailed design work to continue to progress the project in order to move it to the 'threshold' and 'ready to proceed' stages within the Infrastructure Australia pipeline. As substantial work is completed to progress the project through the pipeline, further updates will be provided to Infrastructure Australia, prior to a consolidated, final funding proposal being submitted.
- These infrastructure initiatives remain essential to the future economic and social development of Hobart, and are regarded as critical first steps in achieving the objective of transforming Hobart into a world-class, liveable waterfront city.

#### Theme alignment

#### 'Transforming Our Cities' (Theme Five)

- *With reference to Infrastructure Australia's themes, describe the strategic planning or decision-making task for which assessment against the Reform and Investment Framework is being undertaken eg. outline how the initiative could contribute to these themes and create national benefits.*

One of the seven national infrastructure priorities is 'Transforming our Cities'. In relation to this theme, the Infrastructure Australia document *National Infrastructure Priorities* states, importantly, that 'moving forward, Infrastructure Australia intends to make a recommendation for funding of all types of infrastructure – not just transport – being planned as an integral part of State, Territory or Local Government urban development plans'.

This distinction is an important one for the *Hobart: a world-class, liveable waterfront city* initiative, which focuses on a range of infrastructure needs to transform the city of Hobart into a more vibrant and liveable place.

While the initiative seeks to harness Australia's economic potential through Antarctic and southern ocean rights and related activity, the future economic and social development of Hobart is also important. Approximately 40 per cent of the Tasmanian population (over 205 000) resides in Hobart and the greater Hobart region, meaning the area contributes significantly to the state's economy.

In Infrastructure Australia's June 2010 report to COAG (*Getting the fundamentals right for Australia's infrastructure priorities*), under the 'Transforming Our Cities' theme the role of smaller and regional cities was noted as being important, as was public and private investment to achieve socio-economic and environmental outcomes in cities, 'living affordability' and the importance of 'attractive, inclusive, safe and diverse places to secure community wellbeing and economic prosperity'.

To ensure Hobart and Tasmania have a sustainable economic future, the city must, *inter alia*, be transformed into a more vibrant and creative place, where innovation builds on existing infrastructure and activity, and attracts creative, innovative and productive people.

An important element of the world-class, liveable waterfront city initiative will be the creation of substantially more inner-city, medium-to-high-density residential developments, in addition to tourist accommodation and associated commercial activity.

The initiative also incorporates infrastructure to support walking and cycling, which is noted in the National Infrastructure Priorities as being important, noting that 'the use of . . . walking and cycling as viable transport options will help ensure the sustainability, liveability and productivity of Australia's cities into the future'. *Getting the fundamentals right for Australia's infrastructure priorities* also highlights the impact of better use of urban form on improved health outcomes, some of which can be achieved through innovative planning to support effective pedestrian and cycling routes between the waterfront, Hobart city and other outlying areas.

When preparing the submission for Infrastructure Australia in October 2009, a number of associated, but incomplete, initiatives were detailed. These included the *Sullivans Cove Master Plan*, which has now been prepared by the Tasmanian State Architect and was launched by the Premier in 2010; the Hobart City Council's 2025 Strategic Framework and its *Inner City Development Plan*. These projects align with the *Hobart: a world-class, liveable waterfront city* initiative and its stated objectives, and continue to be used as a point of reference in developing the initiative further. They also require significant, ongoing collaboration between local and state government, another important consideration under the 'Transforming Our Cities' theme.

#### **Progress since lodging the submission in October 2009:**

In December 2009 the Council of Australian Governments' (COAG) Reform Council announced that all capital cities would be required to develop Capital City Strategic Planning Systems by January 2012. These strategic

planning systems are to guide future policy and infrastructure decisions at both the state and local government level, 'to ensure Australia's capital cities are globally competitive, productive, sustainable, liveable and socially inclusive and are well placed to meet future challenges and growth'.

The objectives of the projects mentioned above will address many aspects of the Capital City Strategic Planning System criteria and will, therefore, comprise key components of the Capital City Plan. For these reasons, each of the projects and initiatives articulated in the Infrastructure Australia submission should ultimately be regarded as becoming integral components of the development and implementation of the Capital City Plan. The Capital City Plan will include an initial focus on the economic drivers for the city, with further development of Hobart's role as an Antarctic gateway being an important feature.

Capital Cost of Initiative by Proponent (\$M, nominal, undiscounted):

The Hobart port, which is not a major freight handling port, requires ongoing investment and maintenance by its owner and operator, Tasmanian Ports Corporation Ltd (Tasports). Investment by Tasports, however, is dependent on port infrastructure proposals being commercially viable.

The initiative proposes:

- Overall cost of stage one is expected to be up to \$70 million, some of which would relate to ongoing maintenance over a ten-year period. Tasports, for instance, will expend \$15 million on maintenance works to maintain Hobart port infrastructure over that time. Tasports will also undertake works to further develop the facilities to support the Australian Antarctic Division program and French Antarctic program (Institute Polaire Emil Victorie) operating out of Hobart.
- This stage includes up to \$15 million to support the infrastructure required to further develop the Antarctic airlink. A similar investment by the Hobart International Airport will be required as their contribution to the initiative.
- The funding sought in relation to stage two will be up to \$50 million for the remediation of the Macquarie Point railyards, subject to the assessment of credible development options for the site and identification of a preferred development scenario(s) for consideration by Cabinet. The State Government has allocated \$250 000 to this task, which is planned to commence in January 2011. The anticipated completion date is late 2011.
- Stage three involves the remediation of Macquarie Wharf Nos. 5 and 6. A joint assessment will be undertaken by Tasports and the Tasmanian Government (with the assistance of the Tasmanian Antarctic Gateway group) regarding the facilities and infrastructure required to develop these wharves to a standard to support the use of the port by other East Antarctic nations, in particular the Russian, Chinese and Indian programs. This will identify the scale and nature of the infrastructure works required. The level of funding required is yet to be determined.
- It is intended that a benefit cost analysis, economic and social impact assessment and cost efficiency assessment will be undertaken for stages one, two and three as a consolidated set of initiatives during 2011, with stage one expected to be complete by the end of 2010.

Commonwealth contribution sought by

**\$25 million** for work including port infrastructure remediation and

Proponent, and cash flow in financial years (\$M, nominal, undiscounted):	development of an Antarctic service centre and <b>\$15 million</b> for infrastructure to support the further growth and development of the Antarctic airlink (mid 2012 to mid 2013). <b>\$50 million</b> for remediation of railyards (mid-2012 to mid-2014). <b>Total: \$90 million</b>
Other funding (source/amount/cash flow) (\$M, nominal, undiscounted):	A range of planned and pending public and private waterfront developments are important components of the overall vision to transform Hobart into a world-class, liveable waterfront city.  These are currently valued at around \$400 million and include the Tasmanian Museum and Art Gallery redevelopment, Parliament Square development, upgrades to Princes Wharf No. 1 shed and Macquarie Wharf No. 1 shed, and the Montpelier Retreat development.
BCR by Proponent excluding Wider Economic Benefits	A benefit cost analysis is currently underway in relation to stage one. This assessment will be completed by the end of 2010. This will be further developed with the incorporation of stages two and three into a consolidated BCR for the promotion and development of Hobart as an important international gateway to the Antarctic. This consolidated assessment will then be submitted to Infrastructure Australia when a formal request for funding support is lodged.
High level development and implementation program	See attached Gantt chart.
	<ul style="list-style-type: none"> <li>Show key steps, eg planning, project development, business case consideration, environmental approvals, procurement, and construction, with expected start and end dates.</li> </ul>
Confidentiality	
	<ul style="list-style-type: none"> <li>Indicate which part(s) of the submission have been submitted to Infrastructure Australia on a confidential basis, and provide a brief explanation of the reason(s) for the confidentiality request.</li> </ul>

## Templates for Individual Stages in the Reform and Investment Framework

Stage 1: Goal Definition	
Goal Statements	<p>List the goal(s) that the initiative is seeking to address:</p> <p>List and provide sources for the higher and/or lower order goals such as those of a National/State/Regional/City/Location specific focus with reference back to existing plans and strategies:</p> <p><b>Goal one of the initiative aims to harness and exploit Australia's economic potential in Antarctic and southern ocean rights and related activity.</b></p> <p>This will be achieved under two themes, as noted below:</p> <p><b>1. Hobart: Antarctic and southern ocean gateway</b></p> <p>As reflected in the recently released <i>Sullivans Cove Master Plan</i>, Hobart has the potential to be further developed into an important international gateway to the Antarctic, thereby contributing to Australia's economic growth in this important field.</p> <p>In April 2008, the United Nation's Commission on the Limits of the Continental Shelf (the Commission) granted an extension to Australia's marine jurisdiction beyond the 200 nautical mile limit stated in Article 76 of the 1982 United Nations Convention on</p>

the Law of the Sea. This decision has significant potential advantages, as it assigns the rights to whatever exists on the seabed in that area, including oil and gas reserves and any biological resources to Australia. As a consequence, Australia now has jurisdiction over the third largest Exclusive Economic Zone (EEZ), following the United States and France.

Much of the area extended by the Commission lies either adjacent to Tasmania or south towards Antarctica. Tasmania is, therefore, the most likely port for a number of activities arising from this extension, including scientific exploration, fishing and coastal patrols for marine and resource protection. This will increase the need for expansion of the port's existing role in supporting Antarctic and southern ocean vessels and related southern ocean activity; all of which is activity that will positively impact on the Tasmanian economy.

Hobart is Australia's premier location for Antarctic research. It is home to the Aurora Australis, the Southern Surveyor, L'Astrolabe and visiting Antarctic vessels from a number of the other East Antarctic nations. With further investment, there is potential to further develop the Antarctic research and survey industry operating out of Hobart.

It should be noted that in 2009 the Hobart City Council signed a Statement of Intent, along with the other southern rim Antarctic gateway cities, in recognition of the ability of the five cities to share information related to their support for Antarctic research and management. The five cities are Hobart, Cape Town, Christchurch, Punta Arenas and Ushuaia.

Hobart is also a strategic location for Antarctic conferences and meetings. Following on from its success in hosting the 2006 Scientific Committee on Antarctic Research (SCAR) conference, Hobart will now host the International Association of Antarctic Tour Operators (IAATO) conference in 2011 and the Antarctic Treaty Consultative Meeting in 2012. The latter conference is, on its own, expected to bring 1 200 international delegates to Hobart.

Importantly, the Tasmanian Government is preparing an Antarctic Sector Development Plan (ASDP), with the aim of identifying the actions required to attract more East Antarctic nations to utilise Hobart as a preferred international gateway to the Antarctic.

The Tasmanian Government has also established the Tasmanian Antarctic Gateway group (TAG) to work collaboratively with other East Antarctic nations, in particular China, India and Russia, to better understand their logistical, operational and infrastructure requirements and to be better able to inform Tasports, the Hobart International Airport and the Tasmanian Government about infrastructure priorities and relevant support needs.

## **2. *Hobart: a place of research excellence and learning***

As Australia's base for Antarctic exploration and research, Hobart supports this sector with a range of world-class research institutions based here, including the:

- CSIRO Marine and Atmospheric Research Division
- Australian Antarctic Division
- Integrated Marine Observing System (IMOS)
- Antarctic Climate and Ecosystems Cooperative Research Centre.

A number of international secretariats are also based in Hobart, such as the International Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the secretariat for the Census of Antarctic Marine Life (CAML).

Recent initiatives will further build Hobart's international reputation as a place of world-class research. This includes the Institute of Marine and Antarctic Studies (IMAS), to be located at Princes Wharf No. 2 shed, for which statutory planning

## Stage 1: Goal Definition

approval has now been sought, with a view to securing approval by the end of 2010. Funded through a \$45 million Education Investment Fund grant from the Australian Government, the IMAS facility will be located next to the existing Antarctic and southern ocean research operations of CSIRO in the adjoining Princes Wharf No. 3 facility.

Other significant research organisations in Hobart include the Menzies Research Institute, which has recently expanded and has now commenced stage two of this expansion.

Additionally, the University of Tasmania (UTAS) plans to relocate its allied health activities and other university-wide operations to the historic cultural asset of the Domain House site, which is located on the city fringe, adjacent to the waterfront area. Restoration and redevelopment of this historic site will commence in 2011.

Finally, a joint initiative between UTAS, the Tasmanian Government and the Theatre Royal Management Board, aims to relocate the Conservatorium of Music to a vacant site adjacent to the Theatre Royal, creating a Performing Arts Centre with a range of shared facilities. Considerable preliminary investigations have been completed on these sites, including heritage, archaeological and environmental studies. An architectural pre-feasibility study has also been completed.

The increased activity associated with the relocation of allied health and other future developments on the Domain House site, students, scientists and researchers working at IMAS and the further expansion of the Menzies Research Institute will all have a significant impact on the vibrancy of the city centre and the resulting commercial activity.

Should the Performing Arts Centre project be realised, this will further build on the level of activity generated by students and cultural precinct visitors to the area.

**Goal two aims to develop Hobart as one of the world's recognised liveable waterfront cities.**

This will be achieved through urban renewal, incorporating significant infrastructure investments, a number of strategic planning and development initiatives and promotion and development of investment in important cultural, economic and recreational assets.

The objectives of this goal fall under three themes, as listed below:

### **1. *Hobart: a place to live, work and visit***

The 'live, work and visit' elements of the initiative are further supported by the Tasmanian Government's commitment to ensuring Tasmania is a remarkably liveable place and, in particular, is increasingly recognised around the world as an attractive place to live and work. The government recognises that a liveable place requires the timely provision of infrastructure and services to meet the changing needs of the community.

A discussion paper, *Tasmania: a remarkably liveable place*, has been prepared by the Department of Economic Development, Tourism and the Arts to encourage discussion about liveability and to identify strategies/policies that encourage and promote the liveability of Tasmania (Attachment 19). The discussion paper will form the basis of consultation with State Government agencies and local government. This will be achieved through an Interdepartmental Committee which will be established in early 2011 with the aim of developing a Liveability Strategy for Tasmania.

Liveability is a concept increasingly used to describe what people experience as positive in their communities. While there is no uniform definition of liveability, it is generally defined as the degree to which a place supports the quality of life and health

and wellbeing for people who live or visit there.

The *State of Australian Cities 2010* report, prepared by Infrastructure Australia's Major Cities Unit, states that places considered to have a high degree of liveability have a high level of and widespread accessibility to amenity. This includes features such as open and green space, and provision of educational, social, cultural and recreational facilities.

Liveability also encompasses other characteristics of the built environment, including the arrangement, design and construction of dwellings and other buildings, public transport systems, public spaces and walkability, to name a few.

Liveable places are widely perceived to be healthy, attractive and enjoyable places for people of all ages, physical abilities and backgrounds that provide for an enjoyable and sustainable lifestyle for all sectors of the community.

This theme of the *Hobart: a world-class waterfront* goal aligns closely with the above definition of liveability and will strongly link to the Liveability Strategy itself, once developed.

As a place to live, work and visit, Hobart has much to offer, including:

- a unique, attractive and affordable lifestyle
- vibrant and active cultural and arts communities
- high-quality food and world-class wines
- ready access to world-class natural environments
- an abundant water supply
- relative safety compared to many other parts of the world.

The city is home to a variety of high-quality cafés, restaurants and bars, all of which support existing inner-urban residential developments, including Zero Davey Street, One Collins Street, Hunter Street apartments, Salamanca Mews, Salamanca Apartments and the Silos apartments.

Additional residential development will be an important part of the development plan. Approximately 100 inner-city units for homeless and low-income residents will be completed in 2010-2011, with plans for a further 85 units for low-to-moderate-income residents, including students. This development is part of an overall Tasmanian Government Housing Innovation Program, which involves the development of approximately 1 700 units across Tasmania between January 2009 and July 2012.

Over the past ten years there has been a 13.5 per cent per annum growth in international higher education student enrolments, and an eight per cent growth over the past three years in the number of international VET students. These international students prefer accommodation in the inner city as it is close to both employment and entertainment.

Additionally, given UTAS' plans to provide programs in the inner city – for example the further development of the Menzies Research Institute, IMAS, a proposal for a new Conservatorium next to the Theatre Royal and the relocation of teaching and allied health services to Domain House – an increased demand of 4 000 'units' by 2025 is forecast.

The 8.5 hectare Macquarie Point railyards site will provide an important opportunity for the further development of residential and visitor accommodation (for researchers, students, residents and visitors) as part of a mixed-use environment, with a range of medium-to-high-density housing options helping to provide a variety of inner-city living options.

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The Department of Economic Development, Tourism and the Arts (department) is one of the lead State Government agencies responsible for the development of the implementation strategy for the *Sullivans Cove Master Plan*. As part of this, the department has commenced a feasibility assessment and consultation with stakeholders to identify and assess suitable development options for the railyards site. An amount of \$250 000 has been committed by the State Government for this task.

This work will be completed toward the latter half of 2011 and will inform recommendations regarding development options to the Tasmanian Government. The work will also be important in guiding the benefit cost analysis and economic and social impact assessment work to be undertaken in support of the initiative, prior to it being lodged for funding purposes.

### *Fishing fleet, pleasure boats and ferry zones*

The presence of the southern fishing fleet in Victoria Dock and the fish punts, where fresh fish can be purchased from the side of the wharf, are fundamental elements of Hobart's waterfront appeal and, along with the local ferry and cruise services must be supported and maintained.

It is expected the development of the Museum of Old and New Art (MONA) on the Derwent River at Berriedale will see a significant increase in demand for ferry service operations, with the intention that many of MONA's estimated 350 000 visitors per annum (locals and interstate/international visitors alike) will access the museum by ferry.

This demand will augment the ongoing need for other short and long range services operating from the Brooke Street Pier, including those to Port Arthur, Peppermint Bay and locations in and around the estuary.

### *National and international tourist destination*

Each year 785 000 of the one million people who visit Tasmania also visit Hobart and the waterfront, demonstrating its importance to the tourism industry.

Visitor accommodation in Hobart is at near-capacity. The accommodation shortage not only affects leisure visitors to Hobart, but also seriously impacts the capacity for the city to become an Antarctic and southern ocean gateway and 'knowledge and living city', as there is, at times, very limited accommodation available for conferences, business visitors, or education-oriented visitors due to lack of supply in peak times.

The shortage also affects visitation across regional Tasmania, as most visitors include Hobart in their itinerary as a 'must do' and are likely to postpone their trip to Tasmania if they cannot book accommodation in Hobart. Within two to three years an estimated additional 1 000 rooms will be required.

The State Government continues to work with local government and the private sector to encourage investment in this important infrastructure.

World-renowned natural environments are a relatively short distance from the city (one sixth of Tasmania's land mass is classified as world heritage wilderness), contributing to Hobart's reputation as the gateway for Tasmania's tourism industry and as an entry point and major service centre for tourism in regional Tasmania.

Major international cruise companies have indicated that Hobart continues to be a popular destination and have advised there is growing interest in Tasmanian port visits.

It is forecast in the coming year that Hobart will host over 100 000 international cruise ship visitors to the city. In 2010/2011, 29 international cruise ships have booked to stop in Hobart, while in 2011/2012 this has increased to 35 international cruise ships.

Nationally, international cruise ship numbers are forecast to grow by ten per cent per

annum by 2020, and Hobart expects to attract its fair share of this growth. This will represent well over 10 per cent of the annual visitor numbers to this city.

Hobart is also seen as a potential location for smaller, adventure/expedition style cruise vessels cruising the Antarctic and sub-Antarctic regions.

## **2. Hobart: a place of arts, culture and recreation**

Hobart supports a vibrant and accessible arts sector and is the home of:

- the Tasmanian Symphony Orchestra
- the Tasmanian Museum and Art Gallery (TMAG)
- the Theatre Royal
- the Museum of Old and New Art (MONA).

The waterfront is also home to many theatres and galleries, including the Peacock Theatre, the Salamanca Arts Centre and small commercial galleries such as IXL Design and the Handmark Gallery.

With the support of the Tasmanian Government, TMAG is undertaking a major redevelopment that will see it become a world-class centre of art, culture and history and a major attraction on the waterfront. The proposed relocation of the Conservatorium of Music to a site adjacent to the Theatre Royal and its current increased emphasis on performances would extend the cultural activity in this area.

The waterfront is Hobart's meeting place, where Hobart's harbourside lifestyle can be enjoyed at the many restaurants, cafés and bars that showcase Tasmania's high-quality food and beverage offerings. The development concept includes plans to improve the public spaces and pedestrian movement around the waterfront, making it more accessible to all visitors.

A number of major international and national events are held on Hobart's waterfront including:

- the Sydney to Hobart yacht race
- the International Wooden Boat Festival
- Ten Days on the Island
- Festival of Voices
- the Taste of Tasmania.

The development concept will build upon the recognition of the waterfront as a vibrant place for cultural development, recreation and enjoyment, including Salamanca Market and the Taste of Tasmania, held annually in Princes Wharf No. 1 shed, both located on the southern side of Sullivans Cove.

The Tasmanian Government is currently finalising the upgrade of Princes Wharf No. 1 shed to enable it to house additional major public events and provide a flexible and attractive public space. The facility is nearing completion and has already been used to house several large-scale events. The upgraded facility will be ready in time to host this year's Taste of Tasmania in December/January with some additional works to be completed in the early in 2011.

Although planning approvals are still to be finalised, the Tasmanian Government has also announced the successful tenderer to redevelop Parliament Square, a major city development that will include commercial offices and public space.

The Henry Jones Art Hotel and the UTAS School of Art are located on the northern side of Sullivans Cove. Tasports is also continuing its efforts to secure investment for

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	<p>the redevelopment of the Macquarie Wharf No. 1 shed. There is the potential for this site to augment the cultural assets on the waterfront with prospective development options such as hotel accommodation and the development of contemporary performance and exhibition spaces.</p> <p><b>3. Hobart: a small but vital working port</b></p> <p>The port is an important element of Hobart's waterfront economy and lifestyle, and currently services a number of important maritime sectors. It:</p> <ul style="list-style-type: none"> <li>• is home to Tasmania's southern fishing fleet</li> <li>• provides freight handling for Tasmanian exporters such as Nyrstar and Ta Ann</li> <li>• is the home port for a number of Antarctic and southern survey and research vessels, and provides important lay-up and berthing capabilities</li> <li>• is a sought-after destination for international cruise vessels</li> <li>• provides a large marina for yachts and pleasure craft, including kayaks</li> <li>• supports a small but thriving ferry and local cruise industry.</li> </ul> <p>Responses to community consultation have reiterated the importance of retaining the working port and the belief that accessibility to and activity of the working port is fundamental to what makes the Hobart waterfront an interesting and attractive place.</p> <p>While the port is not a major freight handling facility, it is an important element in maintaining and developing Hobart's economy, providing vital support for the range of activities listed above.</p>
<p>Objective Statements</p>	<p><i>List the objective(s) that the initiative is aiming to meet:</i></p> <p><i>List the higher and/or lower order objectives such as those of a National/State/Regional/City/Location specific focus:</i></p> <p><i>Where available, outline the targets against these objectives, with references back to the documents where they originate from, eg 'State plans', planning strategies:</i></p> <p>The development concept embodies a long-term vision for the waterfront to progressively provide for sustainable economic growth and development of a vibrant, liveable city.</p> <p>This will be staged over a number of years, as follows:</p> <p><i>Stage one: mid-2012 – mid-2013</i></p> <p>The objective of the first stage is to ensure the port can continue to provide for the growth and development of the Antarctic and southern ocean activity in support of the Australian economy. It will also be important in terms of maintaining and attracting Antarctic and southern ocean research institutes and maritime-based industries, which are important contributors to the local economy.</p> <p>Antarctic operations are conducted by both the Australian Antarctic Division (AAD) and the French Antarctic Program (Institute Polaire Emil Victoire). The requirements of these customers are currently being met in four wharf sheds on the Macquarie Point site. There is value in consolidating these operations and providing access to both secure and non-secure parts of Tasports' facilities to improve the efficiency and effectiveness of operations.</p> <p>Hobart does not currently have a dedicated cruise ship passenger terminal facility, despite many years of community debate about the issue. Until 2009/10 cruise ship passenger and goods transfers were handled across wharves and through existing sheds or wharf aprons on both Princes and Macquarie wharves.</p>

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Currently, Macquarie Wharf No. 2 shed provides for a basic passenger transfer arrangement in far-from-ideal conditions. Due to the limitations of the facility, security and operational requirements are high.

In the assessment of likely future demand for facilities for the cruise and Antarctic shipping sectors, Tasports has been examining the possibility of redeveloping Macquarie Wharf No. 2 shed into a purpose-built facility for both sectors taking into account the needs of international cruise vessels and embarking and disembarking Antarctic expeditioners.

As part of this review, Tasports has conducted stakeholder workshops and discussions with its customers about their likely needs for such a facility during 2009 and 2010, and has now engaged an architectural firm in order to take the project to the first design stage. Initial concept designs are expected to be completed in December 2010. This will include initial indicative costs. Tasports is also continuing discussions with its Antarctic and cruise customers to ensure the commercial requirements of its users are understood and met during the process.

Based on current trends in the Antarctic and cruise sectors, the redevelopment of Macquarie Wharf No. 2 shed is an important infrastructure requirement which will play a critical role in servicing these sectors into the future.

The Tasmanian Government is of the view that the redevelopment of Macquarie Wharf No 2 shed represents an opportunity to develop an Antarctic facility that will attract and service other East Antarctic nations and play an important role in further developing Hobart as an international Antarctic gateway.

By far the most important infrastructure requirement in maintaining the effective operation of the working port, and hosting and servicing visiting cruise ships to an international standard, is the repair of the wharf infrastructure within the port.

This infrastructure is singularly critical to all aspects of the current port operations, including:

- the servicing of the Antarctic and southern ocean survey and supply vessels
- international cruise ships
- the operation of the ferries and local cruise industry
- infrastructure to support the many cultural and recreational events held on the water's edge
- the handling of freight.

This infrastructure is also required to support:

- the proposed Institute of Marine and Antarctic Studies
- the AAD's future plans for its Antarctic supply operations
- the further promotion of Hobart as an Antarctic and southern ocean gateway.

Stage one also incorporates the development of infrastructure at the Hobart International Airport to support the growth and development of the Antarctic airlink.

The nature and scale of the facilities required is currently a matter for discussion between the Hobart International Airport Pty Ltd and the Australian Antarctic Division. The proposed facilities will also be influenced by the nature and scale of any potential future facilities sought by other East Antarctic nations, as well as the objectives developed within the Antarctic Sector Development Plan, currently being completed. It is expected there will be greater certainty in relation to the infrastructure required in the coming 12 months.

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	<p><i>Stage two: mid-2012 – mid-2014</i></p> <p>The objective of the second stage is to support the development of a ‘knowledge and living city’ and the establishment of an inner-urban residential and lifestyle area. Work will involve the remediation and development of the Macquarie Point railyards.</p> <p>To achieve this, the Department of Economic Development, Tourism and the Arts will soon commence a feasibility study and stakeholder and community consultation program, the outcomes of which will inform development options for consideration by the Tasmanian Government. This will enable the Tasmanian Government to present a business case for funding to Infrastructure Australia for remediation of the Macquarie Point railyards as part of this overall submission.</p> <p>Remediation of the railyards site has been estimated at \$50 million.</p> <p>This stage will be supported by the development and implementation of the Hobart City Council’s <i>Inner City Development Plan</i> (ICDP), which will include a range of initiatives to revitalise the central city area.</p> <p>One of the requirements of the ICDP will be to address the disconnect between the city and the waterfront by developing a pedestrian connection between the two locations.</p> <p>The scale and nature of the railyards development opportunity in terms of its value for supporting future growth in the Antarctic and southern ocean science and research arenas will be articulated in greater detail in the Tasmanian Government’s Antarctic Sector Development Plan, which is currently under preparation and due for completion at the end of February 2011.</p> <p><i>Stage three: mid-2012 – mid-2015</i></p> <p>The upgrading of Macquarie Wharf Nos. 5 and 6 represents the third stage in developing Hobart’s capabilities in servicing and supporting the programs of the East Antarctic nations. These wharves will continue to provide for freight handling and lay-up capacity for larger vessels; however, a determination must be made as to whether this will require the wharves to be maintained to meet greater load limits. The extent of the work required will be dependent on the operational plans for these facilities, along with a business case assessment based on forecast demand.</p> <p><i>Stage four: mid-2015 onwards</i></p> <p>The objective of the fourth stage is to further enhance Hobart’s liveability through improvements to public transport and access in and around the city. This will focus on public transport, walkways and cycleways to ensure efficient and sustainable access, linking with and supporting the Hobart City Council’s <i>Inner City Development Plan</i>. It will be supported by the development and implementation of the Hobart Capital City Strategic Planning System for the greater Hobart area.</p> <p>Another objective of this stage is the provision of maintenance and repair services for visiting and local ships and vessels, providing an important economic development and employment opportunity for the region. This will be achieved through the further development of Hobart’s maritime and marine services industry and further work on Macquarie Wharf Nos. 5 and 6. This work will be informed by a recent planning study related to the future location of the maritime services industry. Current value of this infrastructure is yet to be determined.</p>
<p>Goal and Objective Alignment</p>	<p><i>Outline how the proponent’s goals and objectives for the initiative align with higher and/or lower order goals and objectives of others.</i></p> <p>The Hobart waterfront, also known as Sullivans Cove, has been the subject of extensive stakeholder and community consultation. The most recent public and</p>

stakeholder consultation process has been in relation to the development of the *Sullivans Cove Master Plan*, which was launched by the Premier in August 2010. The Master Plan provides for an agreed framework that guides current and future development in the Cove. Importantly, the Master Plan established three themes for its future growth and development, being:

- the Polar and Marine Gateway
- Knowledge and Living City
- Integrating Urban Space.

These themes were developed in concert with the development of the *Hobart: a world-class, liveable waterfront city* initiative and provide an overarching framework for the major port-related projects of the initiative. Consideration has also been given to a number of previous studies and related projects. A list of these is provided at Attachment 20.

Also provided in the attachment is a list of those stakeholders consulted in the 2009 stakeholder consultation process, which involved participation in workshops designed to ensure the development concept was informed by stakeholder views.

The government is working with all stakeholders to ensure the initiative effectively integrates with relevant projects and undertakings by state and local government to further expand Hobart's economic base and social and community assets. This includes:

- the Capital City Strategic Planning System for Hobart, which is currently being developed in response to the COAG reform agenda
- the Memorandum of Understanding (MOU) being developed between the Department of Economic Development, Tourism and the Arts and the Hobart City Council to guide collaboration in revitalising the city of Hobart. Initiatives and projects included in the MOU are:
  - Redevelopment of the Macquarie Point railyards
  - Antarctic Sector Development Plan
  - Hobart CBD vitality study
  - Events strategy
  - Tourism development strategy
  - Capital City Strategic Planning System
  - City-based commercial property conversion study
  - Market and demand analysis for commercial, retail and residential property
  - the development and promotion of Tasmania as a remarkably liveable place.

Note: A number of Appendices have been included with this update. These provide further detail on the range of local and state government plans and frameworks that align with the initiative. These include the *Sullivans Cove Master Plan* and implementation strategy, the Hobart City Council's *Inner City Development Plan* and the draft Southern Tasmania Regional Land Use Strategy. *Additional, unreferenced material has also been attached to provide the reader with a broader background.*

It should be noted that significant work is already planned on and around the waterfront. This work aligns with the overall vision of the *Hobart: a world-class, liveable waterfront city* and will involve investment from the Tasmanian and Australian Governments, and also private investors. A brief list of some of these projects follows:

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	<b>Project:</b>	<b>Investment (\$ Million):</b>
	TMAG redevelopment	\$30M Current State Government funding commitment to an overall \$200M project plan
	Parliament Square	\$70M Private investment
	Menzies Stage 2	\$90M Includes \$15 State Government investment and \$25 philanthropic contribution
	IMAS	\$45M Australian Government investment \$30M State Government investment (over 10 years)
	Conservatorium of Music	\$20M UTAS investment
	Domain House	\$5M UTAS investment
	Franklin Wharf	\$1M State Government investment
	Macquarie Wharf Shed 1	Tasports has recently announced it will soon commence a new process for considering development proposals for this property, investment amount unknown Private investment
	Princes Wharf Shed 1	\$10M State Government investment
	<p>The Department of Economic Development, Tourism and the Arts recently released an Economic Development Plan (EDP) discussion paper (Attachment 21), which identifies four goals as being important in setting the foundation for Tasmania’s future economic growth. Three of these directly link to both the world-class, liveable waterfront city initiative and the areas of importance identified by Infrastructure Australia under the ‘Transforming Our Cities’ theme. The relevant EDP goals are: to maximise Tasmania’s economic potential in key sectors; to improve social and environmental sustainability of the economy; and to support and grow communities within regions.</p> <p>Of the 17 sectors and sub-sectors identified as being important to the Tasmanian economy in the draft EDP, the following four sectors contribute in varying levels of importance to the world-class, liveable waterfront city initiative:</p> <ul style="list-style-type: none"> <li>• Antarctic and southern ocean</li> <li>• Science and Research</li> <li>• Tourism</li> <li>• Marine manufacturing.</li> </ul> <p>The first three of these have been targeted as priority sectors in the context of the Tasmanian Government’s Innovation Strategy.</p> <p><i>Outline how the proponent’s goals and objectives align with Infrastructure Australia’s strategic priorities.</i></p> <p>In seeking to harness Australia’s economic potential through Antarctic and southern ocean rights and related activity, this initiative meets the Infrastructure Australia</p>	

## Stage 1: Goal Definition

criterion of having national significance. This is particularly relevant to increased economic activity that may result from Australia's recently extended Exclusive Economic Zone (EEZ), which lies either adjacent to Tasmania or south towards Antarctica, with Hobart being the most likely port for a number of activities arising from this extension, including scientific exploration, fishing and coastal patrols for marine and resource protection.

The initiative also reflects the 'Transforming Our Cities' goal, which is to 'develop productive, sustainable and liveable cities by: consolidated planning and investment decision-making practices; making better use of existing infrastructure; and increasing transport capacity use'.

In the case of Hobart, this will be achieved by the upgrade, development and enhancement of existing infrastructure, through collaboration across government and with the private sector.

It will also address objectives articulated by Infrastructure Australia, including that of 'the use of public transport, walking and cycling as viable transport options to help ensure the sustainability, liveability and productivity of Australia's cities into the future'.

It is intended to better integrate the waterfront with the central city and outer suburban areas by, for example, developing innovative approaches to public transport, access and urban planning, such as:

- improving connectivity between the waterfront and the city centre for pedestrians and cyclists, improving overall accessibility and providing walking and cycling opportunities around the waterfront itself
- providing broader pedestrian and cycling connections with surrounding areas, key destinations and recreational opportunities
- providing attractive public spaces within the city and on the waterfront
- improving public transport, thereby making the city more accessible from the outer suburban areas.

These transport and access issues are central elements in the *Sullivans Cove Master Plan*.

Through the development of a Liveability Strategy for Tasmania, specific initiatives will be identified for Hobart that will help attract innovative, creative and productive people who can, in turn, contribute to the economy.

Another associated initiative is the current review of Hobart's planning scheme, which is expected to encourage more inner-city living and associated commercial activity in and around the city. Review of the planning scheme

The Hobart City Council has completed the first stage in the development of its *Inner City Development Plan* which aims to improve the vitality, liveability and involvement of the inner city community, thereby fostering economic growth and sustainable development in this area. This plan is being developed and implemented in close consultation with the State Government and other stakeholders, in line with Infrastructure Australia's identified need of having 'collaborative efforts by all spheres of governments, business and the community to ensure our cities are productive, liveable [and] sustainable'.

The Tasmanian Planning Commission has also commenced the process of developing a Capital City Strategic Planning System in line with the COAG planning reform agenda.

The Capital City Plan will draw upon the work already undertaken by the Southern Tasmanian Councils and their development of the draft Southern Tasmania Regional Land Use Strategy (Land Use Strategy). The Capital City Plan and the draft Land Use

## Stage 1: Goal Definition

Strategy will identify the planning policies and initiatives required to guide and support the future growth and development of the greater Hobart area, as well as identifying and providing for the protection of assets and land uses within the greater Hobart area that are strategically important to the economic development of the southern region and the state.

The draft Land Use Strategy has incorporated the integration of land use and infrastructure, particularly in terms of improved access to public transport and government and community services. This is another important action that has been identified by Infrastructure Australia as being important to meet the challenge of growing and ageing cities.

*Outline other goals and objectives not directly relevant to the task which may be affected.*

### *Prince of Wales Bay*

Prince of Wales Bay has been recognised as a potentially suitable location, close to Sullivans Cove, for the provision of a number of maritime services and marine engineering and maintenance services. This is considered to be a complementary development that would not be in competition with the Hobart waterfront proposal.

A planning study has already been completed regarding Prince of Wales Bay's suitability as a location for a maritime services industry. Further work has also now been completed in this regard, reviewing appropriate locations along the Derwent River for a wider range of marine engineering and maritime services. Importantly, this work identified Macquarie Wharf Nos. 5 and 6 as the most appropriate location to provide lay-up and marine servicing facilities for the larger vessels, including marine engineering services for Antarctic vessels.

### *Brighton Transport Hub*

The Macquarie Point railyards will become vacant from around mid-2012, following the establishment of the Brighton transport hub. Located approximately 25 kilometres north of Hobart, the hub will provide a centralised facility for management and handling of freight in and out of southern Tasmania.

The current rail corridor into the Macquarie Point railyards site will be retained to aid in future consideration of improved public transport options and, potentially, continued rail freight access to the city centre if this is desired at some future time.

Stage 2: Problem Identification

<p>Problem Identification:</p> <p>Current issues</p>	<p><i>List those current problems, issues or challenges that the proponent considers will limit the ability to achieve the goals and objectives identified in Stage 1:</i></p> <p><i>This could be accessibility, availability, prices/cost, capacity, emissions, safety etc. Identification should be based on empirical observations and could be generated based on surveys, interviews or studies from a wide range of sources.</i></p> <p>The current condition of the port infrastructure presents a serious impediment to maintaining the Polar industries, particularly as the wharves are currently not up to a suitable, weight-bearing standard.</p> <p>One of the main reasons for the condition of the wharves is that, in many locations, they have now reached or exceeded the full extent of their original design life and in some locations are affected by concrete cancer.</p> <p>Coupled with the fact the port no longer handles large quantities of freight, there is not a strong commercial case for refurbishing the wharves to a higher weight-bearing standard for freight-handling purposes.</p> <p>However, as a small working port, the wharves are critical in supporting the Polar research and service industries, as well as Hobart's cultural life and activity, which is important in attracting and retaining residents and visitors to the area.</p> <p>The ferry pier is in urgent need of replacement, without which the local ferry industry could well be diminished.</p> <p>There has also been ongoing debate in Hobart about expanding ferry commuter services along the Derwent river as a means of reducing road-based commuter traffic congestion. Future development of a commuter ferry service will not be possible without the redevelopment of the ferry pier.</p> <p>Hobart is a sought-after destination for international cruise vessels, with 29 cruise ship visits expected in 2010/2011 and 35 bookings made for 2011/2012. However, the port does not have a cruise ship terminal, with passengers currently alighting onto a working port apron. This raises security and safety considerations and, without a high-quality terminal facility, there is the potential for Hobart to lose some of this important tourism activity.</p> <p>The Macquarie Point railyards site, while providing an outstanding opportunity for mixed-use development on 8.5 hectares within the broader city area, will require significant remediation after relocation of the transport hub to Brighton in 2012. Prior to this, feasibility and development options assessments must also be undertaken before any credible development scenario/s can be considered.</p> <p>New infrastructure is also required to further support the growth and development of the Antarctic airlink.</p>
<p>Problem identification:</p> <p>Future scenarios</p>	<p><i>Outline the 'drivers of change' that are likely to have the greatest impact on the relevant infrastructure network(s), for example:</i></p> <ul style="list-style-type: none"> <li>• <i>Socio-demographic change</i></li> <li>• <i>Economic change</i></li> <li>• <i>Energy prices</i></li> <li>• <i>Climate change</i></li> <li>• <i>Technological change</i></li> <li>• <i>Governance change</i></li> </ul> <p>Hobart's Antarctic and southern ocean research and service industries have been steadily developing to the point where they now represent a significant contributor to Tasmania's economy. They have been identified as key sectors within the State</p>

## Stage 2: Problem Identification

Government's draft Economic Development Plan (EDP) and Innovation Strategy, and are expected to grow into a significant contributor to a sustainable economic future for the state.

Also noted in the draft EDP as a key sector is research and learning. UTAS and associated learning and research institutions play a vital role in the local economy. UTAS is, in fact, the region's second largest employer behind the Tasmanian Government.

Given the increasing global focus on Antarctic activity, oceanography and climate change issues, it can only be expected that existing institutions such as the CSIRO, the Antarctic Climate and Ecosystems Cooperative Research Centre and UTAS' Institute of Antarctic Southern Ocean Studies (to name a few) will take advantage of and benefit from this interest, further contributing to growth in these sectors.

An important consideration has also been the significant growth in the number of international students arriving in Hobart, with total enrolments having grown substantially. This not only represents a very significant contribution to Hobart's economy but also has a major influence on inner city life, with students bringing a welcome vibrancy and activity to the city centre and the waterfront.

Tasmania also has the opportunity to benefit from being the first state to take advantage of the roll-out of the Australian Government's National Broadband Network (NBN), putting us at the forefront of world communications and internet connectivity.

Earlier in 2010 the State Government launched its Innovation Strategy, of which the Digital Futures Strategy (DFS) was a key component. The DFS aims to ensure Tasmania's lead in the NBN roll-out makes the state a broadband leader, allowing existing businesses to be transformed and, importantly, playing an important role in Tasmania's capacity to promote itself as a place of world-class learning and research.

The presence of a range of research institutions and the NBN alone will not be sufficient to attract the best minds in the world to live and work in Hobart. The city must be able to offer a standard of living and lifestyle that enables researchers and their families to have a productive and enjoyable life here.

It is now acknowledged that liveable places not only contribute to the health and wellbeing of their communities, but are also able to attract highly skilled, creative and productive people, who drive innovation and economic growth. Changes in demographics and population must also be planned for and addressed. Medium-to-high density housing, including sole occupant options; accessibility to services; opportunities for recreation and other lifestyle factors must also be addressed. The proposed redevelopment of the Macquarie Point railyards site provides an opportunity to promote inner city living and provide amenities and infrastructure that meet the needs of a changing demographic.

This is why the project has been developed under the banner of a 'world-class, liveable waterfront city', and is fully integrated into the wide range of initiatives that are now underway to modernise Hobart's urban environment, expand on its cultural assets and offerings and develop a recreational lifestyle that is attractive and unique.

Combined, these integrated initiatives will provide the base upon which to support these learning and research industries, enabling them to grow as important contributors to Hobart's economic future.

*What are the uncertainties around these 'drivers'?*

With the impending completion of the second stage of the Menzies Research Institute development and the Institute of Marine and Antarctic Studies development proposal currently in the statutory planning processes, Hobart is already active in expanding on its current research and learning base. However, institutions such as these are highly

## Stage 2: Problem Identification

sought after by capital cities and other locations around the world, which actively court investment in similar institutions.

Being a small island state, with access to a world-renowned natural environment, affordable property values and quality lifestyle opportunities, Hobart is in a strong competitive position. Nonetheless, the extent to which Hobart can further develop its position and recognition as a place of world-class research and learning will be extremely important.

This will require continued collaboration between the Tasmanian Government, the Hobart City Council, the University of Tasmania and the wide range of existing research institutions if Tasmania is to maintain its level of international recognition and its competitive edge. Core infrastructure, in particular that related to the working port, is fundamental to achieving this position.

A feasibility assessment and program of consultation with stakeholders has recently been commenced by the State Government in order to identify and assess suitable development options for the Macquarie Point railyards site. An amount of \$250 000 has been committed for this preliminary task, which is expected to be completed toward the latter half of 2011, as part of the *Sullivans Cove Master Plan* implementation strategy.

While stakeholders have to date been in agreement as to the high level challenges, opportunities and issues in relation to the future development of this site, it will be important that consultation and collaboration continues on an ongoing basis. In developing the scenarios it will be important to consider existing activity in the city centre and the impacts of population growth and urban development.

With Tasmania having the benefit of first-mover advantage in the roll-out of the NBN, it will be important local and state government and business take advantage of this in order to be able to promote Hobart as a high-tech, well-connected place.

*Outline any scenarios that have been generated from the drivers of change, i.e. High-oil prices scenario, High-population scenario etc – detailing the horizon year, data sets, models used, outcomes)*

As was noted in the initial submission, the scenario planning undertaken for this initiative revolved around the development of scenarios to support the three main themes of the *Sullivans Cove Master Plan*, that is the Antarctic and southern ocean gateway, the knowledge and living city and improving the urban environment.

Prior to submitting the initial submission, workshops were held to consider opportunities and future development scenarios for Hobart's waterfront and the railyards site. Participants included a wide range of port users, research institutions, local business representatives, the Hobart City Council and the Tasmanian Government, there was unanimous agreement regarding the core elements for the future development of Sullivans Cove and the railyards.

While there were some differences relating to individual site development opportunities, there was consensus that the above elements comprise the most likely scenario for waterfront development that will support the future economic growth of Hobart and Tasmania. These themes and objectives have now been publicly realised through the delivery of the *Sullivans Cove Master Plan* implementation strategy.

There was also consensus that any inability to support and service the research and learning industries based in Hobart would be of significant concern, as this would have a major negative impact on Hobart's economy.

*List potential future problems or challenges from the scenarios. Are they same as the current problems? Have some problems disappeared? Would new problems arise under some scenarios?*

## Stage 2: Problem Identification

*This could be accessibility, availability, prices/cost, capacity, emissions, safety etc. Identification should be based on empirical observations and could be generated based on surveys, interviews or foundation studies from a wide range of sources.*

A future challenge for Hobart will be remaining competitive on an international scale in terms of Antarctic and southern ocean activity. Infrastructure and support services must keep up with international trends and East Antarctic nations' expectations if we are to maintain and attract other nations here in Hobart.

Growth of the Antarctic airlink will also be an important future element in the ready provision of serviceable access to the Antarctic and the development of a competitive and attractive proposition for the other East Antarctic nations. Christchurch, in New Zealand, currently hosts the American Antarctic air services, which alone is worth approximately \$90 million to its economy; a clear example of the economic value such a service represents.

Access to a functioning and viable port is also important in order to maintain Australia's Antarctic and southern ocean research and management responsibilities. One future issue in this regard – once the wharves are maintained to the standard required – will be to maintain them for the long term. This is not an easy task in the context of a small working port with only a limited extent of freight handling. Tasports is developing a strategy for the long-term, ongoing maintenance of the port infrastructure so that it can be maintained to support the growth and development of the Antarctic services and support industries, along with the other current and future port users. Included in this strategy will be port prices and charges, as well as revenue sources to ensure the facilities can be maintained into the future.

Another challenge for Hobart will be to remain competitive and to provide a contemporary environment in which research and learning institutions can collaborate, thrive and prosper.

Providing an appropriate environment and better opportunities for these institutions will also be an important challenge in ensuring the potential for future growth and development in this arena.

A challenge for the Tasmanian Government will be to facilitate developments within the city area (in some instances on prime public land), while ensuring they are effectively integrated into daily city life and activity. The goal for this will be to create a vibrant city where researchers, students, tourists, visitors and the local community alike can prosper and enjoy the lifestyle and environment Hobart has to offer.

Changing demographics, with an increasingly ageing population, will necessitate innovative urban planning that supports a variety of dwelling styles, accessibility to services, opportunities for physical activity and recreation in and around the city, appropriate cultural experiences and integration with activities that involve a range of participants, including students, families, business people and tourists.

Stage 3: Problem Assessment

<p>Problem assessment</p>	<p><i>To what extent does (or will) the problem impact upon the goals and objectives?</i></p> <p>Unless the problems outlined previously are resolved, the goals and objectives of the <i>Hobart: a world-class, liveable waterfront city</i> initiative will not be realised.</p> <p>Antarctic and southern ocean research, marine manufacturing, tourism and science and research have been identified in Tasmania's draft Economic Development Plan as being strategically important to the state's economy and/or having the potential to attract investment. This is important from the perspective of both the Australian economy and also for Tasmania.</p> <p>If these sectors and industries cannot be effectively supported with adequate port infrastructure, this will have a significant impact on the local economy and the opportunity to further develop a strong and vibrant economy for the city's future generations.</p> <p>The wharf upgrades and redevelopment of Macquarie Wharf No. 2 shed are intrinsically linked to the future development of the railyards site, as well as Macquarie Wharf Nos. 5 and 6. Combined, these initiatives have the capacity to transform the port of Hobart into a much more vibrant and active waterway, capable of playing an even more significant international support role in the field of Antarctic science and research.</p> <p>Should the railyards site not be redeveloped to provide opportunities through mixed-use developments, including facilitation of developments that support recreational, cultural, commercial and inner-city living opportunities, Hobart's liveability will be adversely affected. This, in turn, will limit the State Government's ability to promote Hobart as a remarkably liveable place in an effort to attract creative, productive people.</p> <p>An initial benefit cost analysis and economic and social impact assessment is currently underway in relation to stage one of the initiative. Following the completion of the Antarctic Sector Development Plan, these assessments will be extended to stages two and three, to provide a consolidated benefit cost and economic and social impact assessment demonstrating the value of further developing Hobart's role as an international gateway to the Antarctic.</p>
<p>Current problems</p>	<p><i>How is the problem currently affecting the nation/ state/ region (city)/ locality?</i></p> <p>The issue for the port is that it is only now that the majority of the wharf infrastructure is reaching its effective design life and it is only in recent years that load limits have been placed on the respective wharf activities.</p> <p>With the emergence of concrete cancer in the wharf structures, the current and potential future expansion of the Antarctic research and survey activities, the significant increase in international cruise ship visits and the potential for providing a home base for southern ocean naval protection and policing services (<i>see the following section on Future Problems</i>), the condition of the wharves presents a serious threat to a number of important local, state and national activities and responsibilities.</p> <p>There is a strong likelihood that over the next five years the load limit on Macquarie Wharf Nos. 5 and 6 will be downgraded to pedestrians only, highlighting the severe limitation the current state of the wharves poses for major supply and service operations from these facilities.</p> <p><i>Quantify the extent to which the problems may affect the attainment of the goals/objectives.</i></p> <p>The economic and social impacts on Hobart, should the proposed works not proceed, are being assessed as part of the benefit cost analysis and economic and social impact assessments that are currently underway.</p> <p>Because one of the two over-arching goals of this initiative is the transformation of the</p>

Stage 2: Problem Identification

	<p>city of Hobart into a world-class, liveable waterfront city, it is difficult to quantify the impact any one potential threat may have in terms of the overall goal. Certainly, failure to maintain the wharves to a suitable standard will have a far-reaching impact, whereas failure to successfully compete for a particular research opportunity at some future time may not adversely affect the overall goal.</p> <p><i>List the data and evidence that is available to support the quantification.</i></p> <p>Work to prepare this is currently underway.</p>
Future problems	<p><i>How is the problem likely to affect the nation/ state/ region/ city/corridor?</i></p> <p>Australia has a significant responsibility in managing and protecting the environment and resources in the southern ocean. This issue has become all the more significant since a further 2 500 million square kilometres of southern ocean has been vested within Australia's Exclusive Economic Zone.</p> <p>In order to provide effective management of this environmental and economic resource, Australia must develop and maintain a policing capability. Hobart is a logical location for the naval vessels that will be required. This will be difficult to support without effective wharf and lay-up facilities for these vessels.</p> <p>Australia also has significant obligations in relation to Antarctic affairs. As noted previously, Hobart hosts a number of international Antarctic secretariats, such as the International Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the secretariat for the Census of Antarctic Marine Life (CAML). With the federally-funded Institute of Marine and Antarctic Studies (IMAS), the development of the Antarctic and southern ocean gateway and further development of the Antarctic airlink, the opportunity exists to further develop Australia's position as a world leader in Antarctic research and development. Conversely, without an effective and improved port capability, there is potential for Australia's role to be diminished.</p> <p><i>Quantify the extent to which the problems may affect the attainment of the goals/objectives.</i></p> <p>The benefit cost analysis and the economic and social impact assessment will provide clear guidance on the value and importance of the investment.</p> <p>The cost efficiency assessment will also demonstrate how much more cost effective it will be to further develop facilities in Tasmania that support Australia's Antarctic science and research program and the future policing of the southern ocean, as opposed to establishing these facilities elsewhere in Australia, or in the event these operations were lost to New Zealand.</p>
Problem Prioritisation	<p><i>Identify which are the most pressing problems – i.e. demonstrate which problems are most likely to hinder the achievement of goals and objectives.</i></p> <p>Maintenance of the wharf infrastructure to a suitable standard is the cornerstone of the overall development proposal, followed by infrastructure to support the airlink and the railyards site redevelopment.</p> <p>As previously noted above, should work not be undertaken on the wharves, the port infrastructure and the airport, the ability to support and improve Antarctic and southern ocean related activity will be negatively affected.</p> <p>Should the railyards site remain undeveloped, Hobart's liveability will be significantly affected for reasons provided previously.</p>

## Stage 4: Problem Analysis

Problem analysis	<p><i>Outline the underlying causes of the problem.</i></p> <p>While some port repair works have been carried out in recent times, it has not been necessary to redevelop the wharves to any higher standard or lift capacity, as the main freight-handling tasks have recently been limited to a handful of export industries. With the requirement to now support a potential increase in Antarctic and southern ocean vessels and growing cruise ship visits, additional work is required.</p> <p>The current local ferry pier has been patched up over time. It has now been closed down and ferry operations are based on a temporary pontoon, which is not an ideal situation for servicing local ferry operations into the future. The condition of the pier's piles now necessitates replacement of the pier in the very near future. While the local ferry service is a vibrant one, it is relatively small compared to ferry services such as those in Sydney. For this reason, the return on capital outlay for upgrading the pier alone is unlikely to be commercially viable.</p> <p>While Hobart can sometimes now host up to three cruise ships at a time, this presents significant handling issues, with visitors alighting from both sides of the Cove and onto working port aprons. Cruise ship visitation has steadily increased over the past five years and now, with around 100 000 cruise ship visitors coming to Hobart annually, it represents an important and growing part of Hobart's tourism market.</p> <p>It is evident that a more modern and welcoming cruise ship terminal will be necessary if Hobart is to sustain growth in this important market.</p> <p>With the current transport hub being located on the Macquarie Point railyards site, there has been considerable contamination of the site over a lengthy period of time. This will require extensive remediation before any development can be undertaken, once the site is vacated in 2012.</p> <p>Interest and growth in areas such as the Antarctic and southern ocean, climate change and marine science (and anticipated continued interest) have/will put pressure on infrastructure and service needs for both the Hobart port and the airport.</p> <p>In order to effectively support the wide range of Tasmania's maritime activities, marine engineering services and repair and maintenance facilities must be provided. Some of these services are provided for vessels while they are laid-up within the inner area of Sullivans Cove. The Cove, however, is also a cultural and recreational area and the noisier and less compatible works must be carried out at a facility removed from this area.</p> <p>While southern Tasmania has a number of locations where ship repair and maintenance are carried out, it will be important to effectively coordinate these capabilities to provide a comprehensive marine engineering and maintenance service. This also represents an important employment and industry development opportunity for the region.</p> <p><i>Give the policy argument explaining the genesis of the problem (e.g. market failure, incorrect pricing, lack of investment signals, governance).</i></p> <p>One aspect of the problem relates to the need to upgrade port facilities in order to attract greater international Antarctic and southern ocean activity. This is balanced by Tasports' position, which is that – in the absence of current demand – port maintenance and construction will be undertaken on a purely commercial basis. Tasports' current customer needs can be best met commercially through its existing maintenance program. While there are significant opportunities to attract other East Antarctic nations, this would require major infrastructure work, which is beyond Tasports' commercial capacity.</p> <p>The other is linked to the scale of the railyards site remediation. As a significant piece of land adjacent to the city centre, remediation of the badly contaminated 8.5 hectare site is on too great a scale for a single commercial proponent to address. Once this</p>
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Stage 4: Problem Analysis

	<p>work can be completed, however, this highly accessible site will offer attractive investment opportunities for a range of developers and uses.</p> <p><i>Provide data and other evidence to back up the policy arguments.</i></p> <p>This will be provided as part of the final submission.</p>
<p>Identify fundamental cause, not symptoms, of the problem</p>	<p><i>Focus on the fundamental cause of the problem, e.g. the root cause of road congestion should not simply be claimed as a “lack of capacity” – what has caused the lack of capacity?</i></p> <p><i>It may, for example, be a demand/supply mismatch caused by incorrect pricing and excess demand, or a lack of supply side investment due to the absence of price signals or targeted revenue streams.</i></p> <p>The most significant issue in the majority of circumstances for the ‘mismatch’ in existing infrastructure has been the significant change in the Tasmanian economy over the past 10 years, growing from what may have been referred to as a ‘basket case’ in the mid-nineties to being one of the better performing economies in Australia in the mid to late 2000s. However, as a consequence of the GFC, economic growth has since slowed in Tasmania.</p> <p>The Tasmanian Government is now developing the Economic Development Plan (EDP) which will further build on the first order infrastructure initiatives undertaken in the earlier part of the 2000s, including the Basslink electricity cable, natural gas and the two new Bass Strait ferries, which had a significant and positive impact on the Tasmanian economy. The roll-out of the NBN will also play an important role in the immediate and long term development of Tasmania’s economy.</p> <p>It is now important to invest in the second-order infrastructure required to ensure current economic growth and development is sustainable. However, because of Tasmania’s relatively small size compared with the mainland states, the turnover and handling volumes present significant difficulties in being able to develop and maintain infrastructure needs on a purely commercial basis.</p>

Stage 5: Option Generation

REFORM (ESSENTIALLY NON-CAPITAL INVESTMENT) OPTIONS

Option 1	<p><i>Short description of the option, and how it is likely to achieve the goals/objectives.</i></p> <p>The reforms underpinning the transformation of Hobart into a world-class, liveable waterfront city include:</p> <ul style="list-style-type: none"> <li>• the <i>Sullivans Cove Master Plan</i> implementation strategy</li> <li>• the review of the City of Hobart Planning Scheme</li> <li>• the development of the Hobart City Council's <i>Inner City Development Plan</i></li> <li>• the development of the Capital City Strategic Planning System.</li> </ul> <p>Each of these initiatives will provide a regulatory, governance and policy framework to guide future growth and development of the waterfront, the city of Hobart and the greater metropolitan area.</p> <p>These will be important reforms, providing the basis for better function and accessibility of the city and the wider metropolitan area.</p> <p>Additionally, the Economic Development Plan for Tasmania and the Tasmanian Liveability Strategy, when developed in 2011, will provide direction on the future growth and development of Tasmania's economy and social and cultural development and will link to aspects of both the world-class, liveable waterfront initiative and Infrastructure Australia objectives, as noted previously.</p> <p>The provision of infrastructure and land use planning and development frameworks will be integrated into an overall package of joint state and local government initiatives that will have the capacity of meeting the objective of transforming our city. It will be critical throughout this that ongoing consultation occurs with all stakeholders and, importantly, that both local and state government stakeholders work collaboratively to achieved agreed and shared outcomes.</p>
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INVESTMENT OPTIONS

Option 1	<p><i>Short description of the option, and how it is likely to achieve the goals/objectives.</i></p> <p>The initial focus for investment is on waterfront and airlink infrastructure. This investment will increase the capacity of both the port and the airport to service Australian and international Antarctic, southern ocean and cruise vessels and support the growing research and learning institutions based in Hobart, including those involved in Antarctic, marine and climate change research. This feeds directly into Goal One of the initiative, to harness and exploit Australia's economic potential in Antarctic and southern ocean rights and related activity.</p> <p>In the longer term, the focus will be on promoting a liveable lifestyle, encouraging reform of urban design and development, and improving access and public transport, which will ultimately be guided by the Capital City Strategic Planning System. This will be supported by significant investment in the development of the Macquarie Point railyards site, linking directly to Goal Two, which aims to develop Hobart as one of the world's recognised liveable waterfront cities.</p> <p>Combined, these short, medium and long term initiatives will have a significant beneficial impact on Hobart's economic growth, development and sustainability, while transforming the city into one of the world's recognised liveable places and, importantly, contributing to Australia's economic growth through Antarctic and southern ocean activity.</p>
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## Stage 6: Options Assessment

Infrastructure Australia is not mandating a particular process for moving from a long list of potential options to a short list of lead candidates. The following three-step process is an indicative guide.

Long list	<p><i>Explain how an original full list ('long list') of options was initially narrowed down to an interim list.</i></p> <p>As opposed to developing a long list of options for this initiative, it has been reached through extensive consultation and the development and coordination of a range of plans, policies and frameworks, and is supported by both state and local government strategies and objectives.</p> <p>The development of Sullivans Cove has undergone an exhaustive and long-term process of public consultation and investigation (see the list in Goal Definitions) dating back as far as 1979. This has culminated in a set of underpinning plans, policies and frameworks that are not only synergistic, but have been developed through consultation and collaboration between local and state government and the private sector.</p> <p>Recently the Premier released the <i>Sullivans Cove Master Plan</i> and draft implementation strategy, and meetings and workshops have been held with many of the key stakeholders and port users to better understand their aspirations and plans for development of the waterfront.</p> <p>The Hobart City Council has also undergone a long-term development process for the city and from this has developed a 20-year vision, together with an economic development plan for the city.</p> <p>The Tasmanian Planning Commission has commenced development of the Capital City Strategic Planning System, in accordance with the COAG planning reforms, in consultation with, and with support from, other State Government agencies and local councils. The <i>Hobart: a world-class, liveable waterfront city</i> initiative, its associated infrastructure works and liveable community initiatives will be an important and integral part of the Capital City Plan, which will be in place by 2012. The initiative is also recognised as an important development initiative in the draft Southern Tasmania Regional Land Use Strategy.</p> <p>The development concept aligns with the vision, objectives and plans identified in those detailed processes, culminating in a set of initiatives to transform Hobart into a world-class, liveable waterfront city. The concept builds on the city's existing assets, institutions and initiatives progressed by the University of Tasmania, the Australian Antarctic Division and others.</p> <p>The Hobart International Airport operates on a five-year master plan, under a statutory requirement of the Australian Government. It is developed through a broad and comprehensive public consultation process. The development concept seeks to take advantage of the airport operator's plans to further develop the fledgling Antarctic airlink service.</p> <p><i>Summarise the results of this process, for instance the scores from a high level Multi Criteria Analysis process.</i></p> <p><i>Decision Making Principles and Criteria</i></p> <p>The following draft criteria and principles represent the common themes and objectives of the waterfront projects currently underway (that is, the Parliament Square redevelopment, Princes Wharf No. 1 shed renewal, Macquarie Wharf No. 1 shed Expression of Interest process, and the Tasmanian Museum and Art Gallery redevelopment) and will be further refined and developed to guide consideration and assessment of future developments:</p> <p><b>Draft Design Principles</b></p> <p>The design of any future development proposal will be assessed against the</p>
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	<p>following design principles (it is envisaged that public consultation would be undertaken prior to the development of design principles by the Sullivans Cove Waterfront Authority or other relevant body):</p> <ul style="list-style-type: none"> <li>• Generally complies with the statutory planning, urban design and heritage requirements, while not precluding innovation</li> <li>• Achieves appropriate mix of uses that complements and enhances the site/adjacent precincts</li> <li>• Encourages innovative and practical Environmentally Sustainable Design initiatives</li> <li>• Considers view corridors to and across the site</li> <li>• Offers active edges at ground floor, potentially offers a mix of uses with an emphasis on public use at ground level</li> <li>• Provides an identifiable public space and attraction/s accessible to the community</li> <li>• Provides connectivity across the site</li> <li>• Provides public accessibility to and through the site</li> <li>• Limits the impact of on-site car parking on the quality of the site.</li> </ul> <p><b>Draft Assessment Criteria</b></p> <p>Proposals for the future development of the Macquarie Point railyards site will be evaluated against the following criteria:</p> <ul style="list-style-type: none"> <li>• Improves public access</li> <li>• Includes public open space/public amenities</li> <li>• Introduces activities designed to attract visitors to the site</li> <li>• Multiple use development</li> <li>• Complements surrounding operations/activities</li> <li>• Recognises the proximity to the working port</li> <li>• Revitalises heritage space (if applicable)</li> <li>• Environmentally sustainable design</li> <li>• Design rationale in keeping with the Urban Design Framework and surrounding architecture</li> <li>• Provides a commercial return to the State Government, if relevant.</li> </ul> <p><i>Where possible, explain how this process incorporated different scenarios.</i></p> <p>A wide range of scenarios has been considered in the development plans for the Cove and the city. These have culminated in clearly developed frameworks for future development, such as the Urban Design Framework for Sullivans Cove, the Sullivans Cove Planning Scheme and the City of Hobart Planning Scheme (currently under review).</p>
Interim list	<p><i>Explain how the interim list of options was then narrowed down to a short list.</i></p> <p>See discussions above</p> <p><i>Summarise the results of this process, for instance the scores from a detailed Multi Criteria Analysis process and the headline results of Rapid Economic Appraisals.</i></p>

Stage 6: Options Assessment

	<p>See discussions above.</p> <p><i>Where possible, explain how this process incorporated different scenarios.</i></p> <p>See discussions above.</p>
Short list	<p><i>Explain how the interim list of options was finally narrowed down to a lead option.</i></p> <p>See discussions above.</p> <p><i>Summarise the results of this process, for instance the scores from a detailed Multi Criteria Analysis process and the main results from a detailed economic appraisal of two or three lead contenders (presenting, for instance, the Appraisal Summary Table for each lead option).</i></p> <p>See discussions above.</p> <p><i>Where possible, explain how this process incorporated different scenarios.</i></p> <p>See discussions above.</p>