



Priority Projects

7 September 2017



Message from the Mayor



Flinders Council has identified four (4) major projects that are critical to the future development of the Flinders Municipality, namely:

- 1. Construction of a Marine Access and Safe Harbour at Lady Barron**
- 2. Reconstruct and seal Palana Road then transfer ownership to the State Government extending the current state road to form the main transport backbone for Flinders Island**
- 3. Flinders Island Airport Runway Upgrade**
- 4. Redevelopment of the Flinders Island Sports and RSL Club**

Whilst these projects are not the only projects that the Council will pursue in the coming years, they are considered to be vital to our future and are effectively beyond the resources of our Island Communities.

This brief submission highlights the strategic importance and justification for each major project and also briefly outlines a range of other projects that Council is in the process of completing or has recently completed.

Importantly, the major projects outlined in this document all involve a partnership approach. It is our philosophy that Flinders is very much about self-help and not about seeking handouts per say. The support of the Tasmanian and Australian Governments, working in partnership with the Flinders Council to implement these projects, will ensure the realisation of significant social and economic benefits for the Island's diverse communities.

The projects are ones that support the economic growth, social amenity, community wellbeing and future sustainability of Flinders Island. Delivering these projects will require the support of the State and National Governments, which in return will see the Flinders Municipality prosper, further enhancing the economic return to government.

The Flinders Council has worked diligently seeking and supporting basic infrastructure growth in the municipality over recent years and has been elated at the investment that has occurred in upgrading the commercial port, the health infrastructure and aged care accommodation, investment in the renewable energy hub and removal of "do not use" and boiled water alerts from the two main towns. The four projects outlined in this document build on this investment in the future of the Islands.

We extend an invitation to join with the Council to implement our vision for the Islands; one that will secure the future of the place and its people while contributing to the growth and prosperity of Tasmania and the region.

Carol Cox
MAYOR

Introduction

This brief submission highlights not just the strategic importance and justification for each major project but also outlines a range of other projects which Council is in the process of completing or has already completed.

Over recent years Council has made large strides across a wide array of areas to build the capacity and fabric of the Community. In many instances, significant developments have been undertaken or are in the process of being completed involving the partnership approach that is part of our philosophy of self-help.

To provide context to this brief submission, some of the important initiatives and actions being undertaken or recently completed are highlighted as follows:

Flinders Island and Cape Barren Island Telecomms Project

This \$10.61m Project will be funded in 2017/18 through the Building Better Regions Fund to the amount of \$7.87m, with additional funding from Telstra (\$1.62m), Tasmanian State Government (\$0.35m) and Flinders Council (\$0.77m). It will radically transform the telecommunications on Flinders and Cape Barren Islands and the surrounding waters and bring us in line with the rest of the world.

Modernisation of Rating Methodology

In 2017/18, as an addendum to the 6yr revaluation, Council overhauled and modernised its system of rating, moving to Capital Value Rating in line with the desires of the State Government, a significant change and leadership step.

Public Toilets & BBQ's

Completion of major toilet upgrades at Lady Barron, Yellow Beach, Whitemark and Killiecrankie and new BBQ and toilet infrastructure at the North East River and Cape Barren Island due to be completed early thanks to the State Government's Northern Tasmania Economic Stimulus Package Loan Scheme.

Purchase of Bitumen Sprayer Truck

This initiative has permitted Council to undertake its own sealing works giving Council significant savings and greater flexibility compared with the use of external contractors. In 2016/17, for the first time in around 25 years, Council extended its sealed road network by some 2.8km.

Community Economic Development Support

Council delivers a large array of community economic development support including: School Holiday Programs; the Furneaux Islands Festival in conjunction with the Flinders Island Aboriginal Association Inc.; business and tourism support with the Flinders Island Tourism and Business Association; managing and implementing new Primary Health Services; operation of community gym spaces in Lady Barron and Whitemark; finalisation of the Whitemark foreshore upgrade and Furneaux (Emita) Hall Play Scope projects.

Housing

The issue of unavailability of housing on Flinders Island is a major issue that needs to be addressed to enable continued economic growth. The Destination Action Group of the Flinders Island Tourism and Business Association, Flinders Island Aboriginal Association Inc. and Council have all been working on a range of investigations with a view to guiding the State Government to assist in what is a complex problem aggravated by unique local factors such as no rental management company to support owners in renting out properties, restrictive bank lending practices, low opportunity for a positive return on rental investments and costs of building suitable accommodation.

Northern Region Collaboration

Flinders Council is an active and committed member of the 2017 Northern Tasmanian Councils' Shared Services group, being a supporter and participator of the proposed governance model to achieve savings. Council is also an active member of the Northern Tasmania Development Corporation Ltd. and working partner of Tourism Northern Tasmania.

Construction of a Marine Access and Safe Harbour at Lady Barron

With a growing seafaring community, maritime safety is a major issue for Eastern Australia and Tasmania which leads to Council's No 1 project for economic development of Flinders Island.

The proposal is to construct Safe Harbour facilities at the Lady Barron Slip Site.

BACKGROUND

In 2011 members of the Lady Barron community raised the possibility of providing safe harbour marine facilities at Lady Barron. This led to a preliminary privately funded investigation that identified some initial options which were later passed onto Council for further evaluation.

With financial assistance from the State Government, Council subsequently commissioned Burbury Consulting to conduct an independent review of the initial work.

The new study included cost benefit analysis and examination of various site options including Lady Barron.

In August 2017 Burbury Consulting delivered their draft report to Council. The project has community support.



The report identified that in consideration of social, physical and ecological factors, the Lady Barron Slipway Site was the most suitable of six (6) sites surveyed for the development of a marina. Concept includes:

- rock breakwater;
- boat ramp and floating pontoon jetty;
- floating marina berths;
- temporary berthing for visitor vessels;
- amenities facilities including toilets, showers and washing;
- marine services including sewage pump out, water supply, power and fuel;
- car and trailer parking for use of the facilities; and
- slipway upgrade.

RATIONALE

Tasmania's two main Bass Strait Islands (King and Flinders) are essential to the fabric of Tasmania. Due to the majority of vessel movements between mainland Tasmania and Australia being via the Tasmanian East coast, Flinders Island is the only practical location on route for a sheltered boat and marine harbour to facilitate safe and improved marine access between mainland Australia and Tasmania.

The scale and size of the development, its strategic importance to Northern Tasmania generally and the relative financial capability of Flinders Council justifies significant external funding.

The Project represents a potential major and justifiable investment by the Commonwealth Government as a significant player to improve the safety of marine access with the State Government also a key beneficiary. Given the uniqueness of its natural environs, Lady Barron meets all necessary preconditions for the development of a 'safe' harbour for oceangoing vessels, commercial fishing vessels and local marine activities.

ANALYSIS

The independent cost benefit analysis identified that:

- the proposed development is likely to be a highly attractive public sector investment for Flinders Island;
- it will ensure the increased appeal and sustainability of Flinders Island as an attractive boating destination, often luxury motorised oceangoing vessels and yachting;
- it will be a major economic development incentive for the local economy, in particular, and for the Northern Tasmanian economy;
- it will provide a unique opportunity for the Flinders Island economy to strengthen and diversify its economic base in terms of existing economic activities and additional tourism and outdoor recreation opportunities;
- it is expected to be an economically viable public sector investment with a broad range of forecast benefits that meets all COAG public sector investment pre-conditions and requirements;
- there are no perceived technical, economic or environmental risks associated with the project with the lodging of a development application to be carried out to facilitate a 'shovel-ready' status; and
- the project facilitates the expansion of the Lady Barron Port facility through relocation of the existing boat ramp, the position of which hampers the operations of the existing commercial port operations.

FINANCIAL IMPLICATIONS

The project is beyond the financial capacity of Council, in part due to our limited financial capability, but also there will need to be a number of other complementary actions taken by Council if the project proceeds. As a result, a modest financial contribution of \$300,000 from Council is considered reasonable. Particular program funding streams for various elements specific to the National and State Governments exist.

FUNDING REQUEST

A final report will be available following formal acceptance by Council, at which point Council will be in a position to seek around \$4.5million funding from National and State Governments for a potential \$4.8million capital project.

Reconstruct and seal Palana Road then transfer responsibility to the State Government to form the main transport backbone for Flinders Island

A major issue of equity for Flinders Island with excellent road upgrade significantly contributing to the economic development of the Island.

The proposal is for the Council to:

- jointly fund with the State Government the reconstruction and sealing of 29km of Palana Road;
- transfer ownership and maintenance responsibilities of a 44.6km length of Palana Road to the State Government to provide an extended main link road B85 from Lady Barron to Palana; and
- on behalf of the State Government to become the managing authority in a long-term partnership approach for the 73.2 km section of road from Lady Barron to Palana.

RATIONALE

Tasmania's two main Bass Strait Islands (King and Flinders) are essential to the fabric of Tasmania, but like Tasmania which relies in some form of community service obligation from mainland Australia, we are also islands with natural disadvantages that warrant similar treatments.

As the map illustrates, the State Government's Main Road (80.8km) forms the backbone of King Island but on Flinders this is only from Lady Barron to the Flinders Island Airport (28.6km).

Yet when compared with King Island, Flinders has townships to the north to service, is far greater in size and area but has a lesser amount of developed rateable land, has greater natural disadvantages and a smaller population. All these impact far greater on the local community.



The lack of a State Road along the full length of Flinders Island is a significant and inequitable contributing factor to our overall financial performance.

King Island
80.8km

State Road
Existing
Proposed

Flinders Island
28.6km
73.2km

ANALYSIS

This project has a raft of positive attributes including the following:

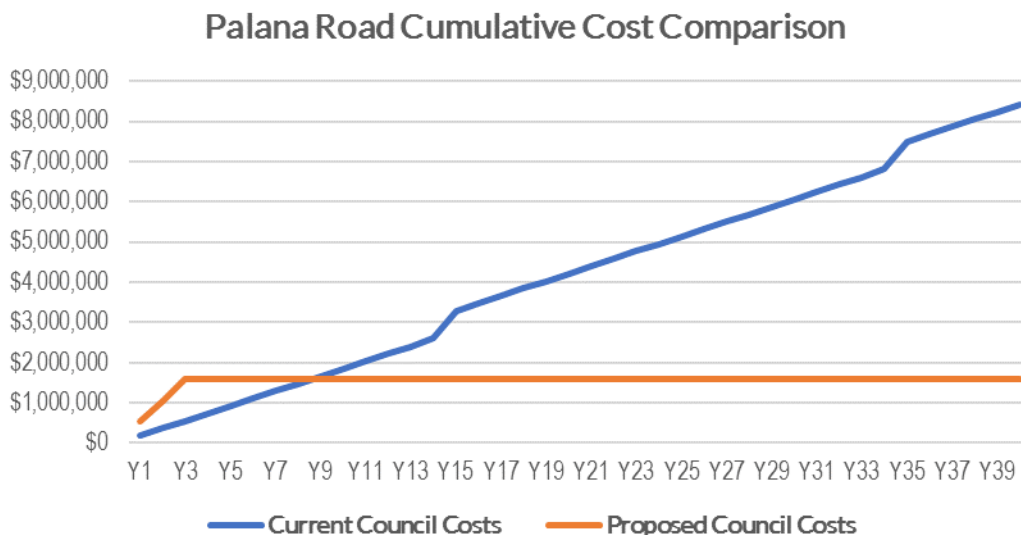
- The economic stimulus and development of the Island will significantly increase as access for businesses, primary industry and tourism ventures will significantly increase with a fast tracked sealed road. A cost benefit analysis will be undertaken to substantiate this aspect.

- Road safety will be significantly improved; especially for non-island residents who are often unfamiliar with unsealed road conditions.
- Palana Road services the high end residential and tourist growth area of the Island including the townships of Killecrankie and Palana as well as the Island’s main tourist and local camping sites.
- Council’s financial sustainability will improve with financial pressure on Council eased.
- Council is in the process of developing a detailed cost-benefit analysis to support the project
- Redirection of limited Council revenue to other areas of development within the municipality will be enhanced. The ability for Council to start a proactive sealed road extension program largely unseen for the past 25 years would become possible.
- Council is looking at a partnership approach rather than a mere handout. This will potentially avoid precedents being set with respect to potential claims to the State Government from other Councils who may have similar requests.

FINANCIAL IMPLICATIONS

On the basis of a 2:1 funding support to construct and seal 29km of Palana Road over an initial 3-year period then subsequent annual maintenance allocations for extended main link road B85 from Lady Barron to Palana, Councils financial and operating position will be significantly improved over the medium term.

ITEM	Length (km)	Freq	Current	Proposed
Reconstruct, stabilise & seal Palana Road	29.0	3 yrs		\$4,739,100
State Government Grant		3 yrs		-\$3,159,084



FUNDING REQUEST

Seeking \$3.16m funding over an initial 3 years to construct and seal Palana Road then annual maintenance allocations for extended main link road B85 from Lady Barron to Palana.

Flinders Island Airport Runway Upgrade

A Community Service Obligation for the National and State Governments.

The proposal is for the Council to continue to implement the development of the Flinders Island Airport Master Plan with specific funding assistance for the reconstruction of the Airport Runway element.

BACKGROUND

The Master Plan provides Council with a long-term (20 year) planning framework for the safe, secure, efficient and sustainable use and development of the airport site. It provides clear direction as to how growth is to be accommodated, particularly with respect to continued growth and expansion of Regular Passenger Transport services and General Aviation activities. The Master Plan provides an optimal spatial outcome for the airport in keeping with commercial business objectives and environmental, planning, security and operational obligations.

The emphasis of the Master Plan is on aviation growth and development, and protecting the site for the future expansion of aviation facilities to ensure the long-term sustainability of the airport which is not inhibited by a lack of facilities or other constraints.

Parts of the site have been identified for possible future non-aviation uses on land that is not likely to be required for aviation purposes. These include but are not limited to the following:

- terminal upgrade for passengers including ancillary commercial and visitor information services;
- commercial aviation facilities;
- private hanger developments which may or may not include accommodation;
- improved terminal car parking; and
- streamlined aviation fuel facilities.

In a general sense, whilst the operation of the airport places a significant financial impact on the Council incurring an annual operational deficit of \$180,000, it is expected that over time through careful management this can be reduced.

The main issue facing Council is the cost to rehabilitate and seal one of the two airport runways. Flinders Island Airport has more or less the same asset base as similar airports serving greater populations but without the same patronage and aggregate of user charges.

Over recent years Council has actively met its reseal obligations for the one short runway as well as trialling in-situ foam bitumen stabilisation and sealing on the main runway. Thus far, as shown in the attached photo, results have been positive with pavement strength and hardness significantly increased; leaving Council in a position where rehabilitation of the main runway in-situ is a potentially realistic option.



Council has also investigated options for realignment and replacement of the main runway, which although the ultimate solution, is difficult to justify unless there is significant growth in aircraft traffic given our relatively small user base.

RATIONALE

Tasmania's two main Bass Strait Islands (King and Flinders) are essential to the fabric of Tasmania but, like Tasmania itself relies on a community service obligation from mainland Australia, the islands too rely on some form of community service obligation to exist. We are islands with natural disadvantages.

The Flinders Island Airport provides an essential transport link for the Island without which the Community could not function. As with all such transport links, it is a National and State Government issue and hence, a relevant consideration is the nation's community service obligation that applies.

The reconstruction and sealing of the airport will always be a financial issue with Flinders Council, adversely affecting our financial viability. This is not through performance, but simply through lack of throughput to generate sufficient user-charges to fund the airport replacement and lack of the ability for the Council itself to cross-subsidise its operation, given our very small rates base.

In these circumstances, funding of airport runway replacement through government sources is both inevitable and justified.

ANALYSIS

Project has a raft of positive attributes including the following:

- more functional and sustainable airport facilities;
- long term vision implemented and future of airport secured; and
- avoids another tier of Government having to take responsibility in an emergency situation with resultant greater costs.

FINANCIAL IMPLICATIONS

It would be expected that, with this external funding, the financial impacts of the airport on the wider operations of Council would be significantly mitigated.

FUNDING REQUEST

Funding required depends on the actual treatment of the existing runways but it is envisaged that a mixture of National and State Government contributions are, in the circumstances, justified.

Option 1	Stabilise, reconstruct and seal existing pavement	\$3.0million
Option 2	Reconstruct and realign existing runways	\$15.0million

Redevelopment of the Flinders Island Sports and RSL Club

Flinders Island's most significant community-led project with Council as a positive supporter.

The proposal is for the Council to assist and partner with the Flinders Island Sports and RSL Club to redevelop the site around the bowling greens and golf course to include:

- redeveloped clubrooms and function centre;
- construction of a small indoor aquatic facility and tennis courts to supplement the existing bowls, change rooms and clubrooms;
- complementary high quality residential duplex development abutting the golf course;
- dormitory style short term tourist accommodation;
- revamping and improved maintenance for existing challenging 9-hole golf course; and
- long-term aims to explore potential expansion of existing golf course should economic and environmental circumstances justify.

RATIONALE

Flinders Island has a number of small scale dispersed recreational operations that have declined in use over the years through demographic changes in population. The Flinders Island Sports and RSL Club also suffers but is in a strong position to potentially address the future sustainability of its golf course and provision of community services. It has stable management, a preeminent and valued position within the Community, sound asset base with good clubrooms, function centre and facilities and ideal residential development potential. The Club is however small with limited resources.

Addition of complementary community recreation facilities that meet the wider community recreation and health needs has the potential to provide for long-term sustainability as well as catering for additional tourist and residential demand.

ANALYSIS

Project has a raft of positive attributes including the following:

- provides for long term sustainable operations of the Sports & RSL Club with increased membership and patronage that addresses current situation of aging volunteers and limited capacity to borrow externally that could threaten the viability of the club and the sporting facilities it currently provides if these actions are not undertaken;
- provision of new short-term tourist



accommodation on the Island which is currently lacking;

- improved golf course and associated facilities as a new attractor to complement existing operations at Bridport and Northern Tasmania;
- increase use of existing club function facilities;
- provision of new, quality, residential accommodation in and around Whitemark;
- catalyst for the more efficient use of flood waters in line with improved environmental management;
- provision of new recreational and health and fitness facilities that expand on current programs within an affordable cost-effective management structure that would otherwise not be possible;
- value-adds to current Whitemark Structure Plan redevelopment strategies that are being separately undertaken; and
- creates a Sports & RSL Club, Community and Council partnership that can attract the right sort of complementary external investment without the Club and Community losing the essence of the excellent community fabric that has been developed by previous generations.



FINANCIAL IMPLICATIONS

As shown below there are overall positive financial implications for the Sports Club and Council as it is anticipated that ongoing operational costs will be manageable provided the capital development cost by way of local community, government and private sector investment can be met. A feasibility study has already been developed to support this project.

ITEM	Cost	Grants	Council	Club Land Sales	External Investment
STAGE 1					
Community					
Clubhouse upgrade	\$1,481,000	\$1,281,000		\$200,000	
Pool / Tennis Courts	\$3,299,180	\$2,749,180	\$350,000	\$200,000	
	\$4,780,100	\$4,030,180	\$350,000	\$400,000	\$0
External Investment					
Duplex Housing					
Adventure Camp					

FUNDING REQUEST

Seeking the following capital investments:

- \$4.03million State and / or Federal Government Grants
- \$0.40million Flinders Island Sports and RSL Club funded from land sales
- \$0.35million Council

Flinders Council

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