



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Peter Gutwein MP

Tuesday 7 September 2021

MEMBERS

Hon Nick Duigan MLC
Hon Ruth Forrest MLC (Chair)
Hon Mike Gaffney MLC
Hon Sarah Lovell MLC
Hon Dr Bastian Seidel MLC (Deputy Chair)
Hon Meg Webb MLC

IN ATTENDANCE

Hon. Peter Gutwein MP, Premier, Treasurer, Minister for Climate Change, Minister for Tourism

DPAC

Jenny Gale – Secretary, DPAC

Craig Limkin – Deputy Secretary, Policy and Intergovernmental Relations, DPAC

Alice Holeywell-Jones – Executive Director, People, Performance and Governance, DPAC

Rob Williams – Deputy Secretary, Government Services, DPAC

Jane Hanna – Director State Service Management Office

Noelene Kelly – Director Service Tasmania

Todd Babiak – Chief Executive Officer Brand Tasmania

David Owen – Official Secretary, Government House

Climate Change

Jenny Gale – Secretary, DPAC

Craig Limkin – Deputy Secretary, Policy and Intergovernmental Relations, DPAC

Visitor Economy

Kim Evans – Secretary

Jacqui Allen – Deputy Secretary Cultural and Tourism Development

Amanda Russell – Deputy Secretary, Business Services

Glen Dean – Director Finance

Tourism

John Fitzgerald – CEO

Emma Terry – Chief Marketing Officer

Mark Jones – Chief Operating Officer

Edwina Morris – A/Director Strategy Government & Industry

Treasury

Tony Ferrall, Secretary

James Craigie - Deputy Secretary, Budget and Finance Division

Fiona Calvert - Deputy Secretary, Economic and Financial Policy Division

In attendance (called to the table for relevant issues / outputs if required)

Jonathon Root - Deputy Secretary, Revenue Gaming and Licensing Division

Eleanor Patterson - Director, Budget Management Branch

Joy Crane - Manager, Human Resources Branch

Premier's Office Staff

Andrew Finch

Laura Eaton

Vince Taskunas

Barb McGregor

Perry Jackson – Climate Change Adviser

Tony Mayell – Tourism Adviser

Michael Reynolds – Treasury Adviser

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The Committee met at 9.00 a.m.

CHAIR - Welcome Premier. Thank you for coming.

Mr GUTWEIN - My pleasure.

CHAIR - Not that you had a lot of choice, I know, but I invite you to introduce your team. I think you know all members on this side of the table. To give a brief run-down of what is planned for the day we will start with your Premier portfolio, DPAC, 9 a.m. to about 11.30 a.m. A break then and if you decide you need a break during that period please say and we will have a short break. It just means it extends the day, that is the only problem. Then after we will do Treasury, before and after lunch and then Tourism, about 4.30 p.m. and climate change after.

Mr GUTWEIN - No problem and I know the office of the Governor was going to make themselves available at 10.45 a.m. - if you want them, if you do not want them we can tell them not to come.

CHAIR - Just let me check on that. Have you any questions you want to ask?

Mr GAFFNEY - Yes, but it is something that they would need to be here for.

CHAIR - When they arrive we might be able to slot them in at the end - what time did you say?

Mr GUTWEIN - 10.45 a.m. they were planning to come.

Mr GAFFNEY - Yes, that is alright, bring them, I have some on security system, that sort of thing, and a wage increase.

Mr GUTWEIN - Well that is a matter for her, and for the Act.

Mr GAFFNEY - I know, yes, interesting.

CHAIR - If you could introduce your team, Premier, and we will invite you to make an opening comment related to this portfolio.

Mr GUTWEIN - No problem, Jenny Gale, Secretary of Department of Premier and Cabinet; Andrew Finch, Chief-of-Staff and then as need be we have other members of Department of Premier and Cabinet here that can be brought to the table if we need further detail.

I will make a brief opening statement. I will not cover all the matters I touched on yesterday in opening the House of Assembly Estimates. What I would like to say though, first of all, thank you to all of the staff we have across the public sector. Those within the Department of Premier and Cabinet, but across the public service more broadly, for the work they have done over the last 18 months. It has been extraordinary. I know myself, personally, how challenging it has been and know we have had a lot of people who have done a lot of work. I hope from the events of last week, that there are a lot of people in senior positions

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across the public sector who are now making sure that they also draw breath and take time to ensure their health is as it should be.

I also want to acknowledge Tasmanian businesses and all of those who work both across the public and not-for-profit sectors for the way they have conducted themselves and supported Tasmania. Importantly, the Budget I have brought down takes some significant steps towards securing Tasmania's future. We have a strong balance sheet and as we went into this pandemic, importantly, that enabled us to provide significant support across the Tasmanian community, both economically and socially. I am very pleased that across the board and across the state, 163 000 people are now employed in more jobs than before the pandemic. The unemployment rate is now at 4.5 per cent and importantly, we recognise we are not through this yet and there are going to be further challenges and, notably, there will be more to be done.

In terms of Premier and Cabinet, I was very pleased yesterday to announce the Literacy Advisory Panel, which will see a comprehensive review of current literacy policies. I also mentioned yesterday that we are establishing on the Service Tasmania digital portal an initiative to begin a development of a digital Service Tasmania portal to provide Tasmanians with a secure and easy access point for government services. Access through a single log-in.

I also mentioned yesterday, the Tasmanian first Child Youth Wellbeing Strategy, which will cover 0-25-year olds, with a specific focus on the first 1000 days and DPAC has played a key role in the development of this, as we work forward. Importantly, through that Child and Youth Wellbeing Strategy more than \$100 million will be spent across the forward Estimates, as well as a significant investment of over \$45 million into the delivery of the Child and Adolescent Mental Health Services review and the recommendations that came out of that.

In terms of the position the state finds itself in at the moment, whilst challenging and in the context of the country, there will be more twists and turns, but we are well placed to take steps forward and this budget lays down a strong pathway for that.

I now hand over for questions.

Ms WEBB - I have a range of overview questions.

CHAIR - We might start first with Brand Tasmania and then come to those. We have Brand Tasmania listed as our first item.

We want to bring someone else to the table.

BRAND TASMANIA

Output Group 1

1.1 Brand Tasmania

Mr GUTWEIN - Mr Todd Babiak, CEO of Brand Tasmania will visit the table.

CHAIR - Did he want to make an opening comment about Brand Tasmania before we hand to Nick Duigan for questions?

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Mr GUTWEIN - I am happy if Todd wants to make any comments. I will make a couple. He has done a fantastic job and the launch of Brand Tasmania earlier this year was brilliant and very well done.

Mr BABIAK - Premier, for our first two years we were focused on Tasmanians, ticking all the research that we had, and building a sense of Tasmanian opportunity among Tasmanians, almost with the spirit of, 'someone just like you did it, you can do it too'. Lots of workshops, lots of opportunities for people to get across, helping people build their own brands and then earlier this year, a couple of months ago, the Premier and many others helped launch the external facing version of this. We are not leaving the internal work behind, but we want to make sure we are speaking to audiences also on the mainland and around the world.

Mr DUIGAN - Premier, could you update the committee on the Brand Tasmania showcase website and Tasmanian story, and how that is helping Tasmanians to build their own brand story?

Mr GUTWEIN - Thank you, Nick, and welcome to your first Estimates. I hope you found it as fascinating and as interesting as we all do.

CHAIR - We are waiting for him to ask a rare, weird question that is not a (inaudible). I'll mark it down when he does, don't worry.

Mr DUIGAN - It won't be happening.

Mr GUTWEIN - That would be the first and last one that he did ask.

CHAIR - We are going to take out all your line items for a start.

Mr GUTWEIN - I will deal with this difficult and complex question you have asked me, Nick.

The new Brand Tasmania website was funded in the 2020-21 budget, \$200 000 for a year and it was launched in July of this year. As I said, the launch went extraordinarily well and the story it tells is just brilliant. Todd can provide more comments on that in a moment.

It's a tool to help Tasmania tell its story and it is important that it allows Tasmanians to build their own brand story and that is of key importance. It provides a platform from which our businesses and our people can launch themselves.

The updated Brand Tasmania website helps reach new audiences, people throughout Australia and around the world. The platform is more than a website, it is a door into Tasmania, a digital concierge and a reminder of how we can bring our brand to life and the decisions we make every day.

The platform helps to unify our efforts to promote Tasmania as a place to live, visit, work, study, trade and invest in and it will continue to inspire and encourage Tasmanians with updated and expanded tool kit resources and stories of who we are, what we do and why we do it here.

The website is a central trade portal for those looking in. It is a way for Tasmanian businesses, large and small, to tell their stories to drive demand for their products and services across trade, tourism, living, working and studying in Tasmania.

I will hand over to Todd to make a few comments about Brand Tasmania, but I was extraordinarily proud when I first saw the Brand video and website with the launch. It tells an exquisite story about Tasmania, who we are, where we have come from and importantly, it points to where we are heading.

I commented at one of the launches to a number of people: I can well recall when I left the state back in 1985 to study and play football in Western Australia and very quickly after I made that move, because of the cringe there was of being Tasmanian at the time, I gravitated very quickly to telling people I lived in a certain suburb of Perth: I was from West Perth or South Perth or Mount Lawley where I lived. I thought I was alone in doing that. I listened to Janie Dickenson shortly after she became mayor in 2002 - Janie Finlay now - she made a similar comment about how she felt when she left the state and went to work in New South Wales in the mid-1990s.

What struck me then was we had so much to be proud of but we weren't. I think the work that Brand Tasmania has done has pulled together everything that's good about Tasmania but it doesn't shy away from our past either. Importantly, it sends a very strong message to the rest of the country and the rest of the world that we are Tasmanian and that we are here now and this is our time. Todd, you might like to make a few more comments as well.

Mr BABIAK - Premier, we didn't make up anything. We did three years of interviews with Tasmanians and then another three years of workshops with them speaking about this, listening very carefully and understanding what the story is that Tasmanians tell; understanding that Tasmania is not for everyone and that's okay.

As the Premier said, that story of obstacles and hardship and being in an isolated place and having to be inventive to overcome that, feeling underestimated or misunderstood and then pushing through and honing the grit and determination we see in so many businesses and initiatives that have come from this place. That's something we have heard from Tasmanians over and over again. Then the extraordinary outcomes, whether it's these wonderful, high-quality products and services and opportunities we have, or these decisions we've made as Tasmanians to protect the environment, to now lead the renewable energy and climate action.

We now have a position not only in Australia but around the world that we can really use carefully. We've tried to make it as human as possible by telling the stories of individual Tasmanians to tell the larger Tasmanian story. Our research is showing that it's working over here but as we look at the way that people on the mainland feel about Tasmania, we have some work to do to match that sentiment with their feelings, but we have a great start.

Instead of talking to everyone, whether you're a doctor or a small tech business, to try to get them to come here, how we can narrow in a little bit? Ambitious introverts who love nature tend to really thrive in Tasmania. How can we narrow that audience a little bit? Tell them a story and invite them in is a really powerful way but the most important work we do is to build the confidence of Tasmanians so that, as the Premier said, this generation and coming generations don't feel the word that we heard him say, 'cringe'. Instead they feel, 'I have an advantage in the world because I grew up in Tasmania'.

Mr DUIGAN - Premier, can you outline the steps Brand Tasmania is taking to register 'Tasmanian' as a certified trade mark?

CHAIR - Dr Seidel was also going to ask you that question so seeing it's a double-barrelled answer -

Mr DUIGAN - Doing the Dixers.

Mr GUTWEIN - Now that I know about Dr Seidel, I think you might be trying to trap me.

While Brand Tasmania is not a logo or slogan-driven organisation, it does represent the Tasmanian brand through the word mark 'Tasmanian' and the tag line 'The quiet pursuit of the extraordinary', both of which were developed in 2019. Given how intrinsic this is to Tasmania's positioning story, Brand Tasmania is seeking to register both marks with IP Australia as certified trade marks.

Applications were lodged in December 2019. Brand Tasmania is currently finalising the draft rules and conditions for the marks which is a requirement for a certification mark under the Trade Marks Act 1995. These rules and conditions will need to be approved by the Australian Competition and Consumer Commission (ACCC) as part of the assessment process. While the application process is continuing, a number of Tasmanian businesses have already applied to use the mark. As at 30 June 2021 there were 62 partners approved to use the 'Tasmanian' mark in accordance with the draft rules and conditions.

These partners include, among others, Essential Oils of Tasmania, Into Logistics, Nature's Best, JST Abalone, Ruby Delights, Cricket Tasmania and Pure Foods Tasmania. Government agencies such as the Department of State Growth are also using the mark in promotional activities. The 'Tasmania' mark was developed as part of the Tasmanian brand visual identity. The phrase 'The quiet pursuit of the extraordinary' emerged out of the brand story development process.

The certification trade mark identifies goods or services that possess a particular standard or characteristic standards commonly certified include quality, content, manufacturing method, and geographic origin. In Australia certification trade marks are also one of the two main ways that geographical indications are protected. The two marks and in particular, the 'Tasmania' mark, operate as a place of origin or certification marker, which our partners can use on their collateral, including packaging, digital assets and signage.

The draft rules allow individuals, businesses and organisations that have registered as a Tasmanian partner to apply to use the marks. Under the scheme, it is intended the approval be given to use the mark in the following circumstances: to promote Tasmania as a place to live, work, visit, study, trade with and invest in; and/or in the promotion, marketing or advertising of Tasmanian goods and services; and/or on the packaging and/or labelling of Tasmanian goods and services.

As we continue our recovery from COVID-19 and in line with that plan to support a more diverse and resilient economy, having the Tasmania mark and the principles, values and story behind will be increasingly important. Brand Tasmania is committed to working closely with

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all of its partners and stakeholders to support the uptake of the new Tasmanian market and to ensure the Tasmanian brand is protected and promoted locally, nationally and internationally. I would encourage Tasmanian producers, makers, creators and growers to use the mark to get in touch with the fantastic team at Brand Tasmania.

CHAIR - As our questions are synced, which they have been, the answers should be likewise, otherwise we are going to be here for a very long time. Mr Duigan has many other line items so we will keep answers a bit shorter if you please.

Dr SEIDEL - When do you expect a decision to be made by IP Australia with regards to the trade mark? Is there a time line? Have you been in contact with them recently to find out whether there is any hold up or whether they need any further information to make a decision?

Mr BABIAK - We were hoping that it would be this calendar year but sadly, we cannot push them along. We do hope it is soon. As you know, one of the issues we sometimes see is counterfeiting. Tasmanian cherries will be in certain markets; someone will take them, sell them and then use the packaging to put other in cherries. We can't really deal with that stuff with a mark. We have some other plans and some other work we are doing with our friends in State Growth to look at this.

What are the modern ways to protect Tasmanian provenance? The Tasmanian mark really came out because we didn't want to spend hundreds of thousands of dollars on a new logo. What we wanted to do is take something really simple and our partners in tourism were already using this. Tasmania is a lovely word. We just added an 'n' to make it an adjective so that people and place can be an opportunity for us and we can work with our partners in tourism to tell that story. So, I hope you will all go to tasmanian.com.au. Sign up as partners and see how we are already playing with it. We do hope to hear from IP Australia soon.

Dr SEIDEL - We can expect you to update us with another Dorothy Dixier for next year's budget Estimates.

CHAIR - It will happen before then. Maybe in the State of the State next year.

In Budget Paper No. 2, volume 2, the Brand Tasmania section talks about the sentiment and brand measurement, which is what we have been talking about. I assume that survey work has been done. I am interested in what work is being done around some of the negative stuff that has come out more recently. One very public example is Richard Flanagan's book *Toxic*. I am interested what work you do, Premier yourself, and also how Brand Tasmania is managing that. It has been read internationally, nationally and it certainly has been read around the state.

Mr GUTWEIN - A matter like that can be quite challenging for the state. I have had a conversation with Richard to understand his views and where he is at on matters. We are engaged with the salmon industry as well. Those discussions continue. It is fair to say, and I have said this publicly, what I do not want to see is this industry framed up or cause the same sort of challenges that we had in the forestry industry some 10 or 15 years ago. It is important that businesses go along with the state, which has a key interest in this very large industry. We must get the settings and the messaging right.

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It is challenging when somebody with a profile that Richard Flanagan has makes the comments that he has made and difficult to manage in a public sense. When these things happen, there is some brand damage. We need to ensure that as we move forward that we can send clear signals.

CHAIR - JBS Swift has a proposal to purchase Huon Aquaculture when they do not have a good international reputation at all. I am sure you are aware of that. I know they are already in our state in terms of beef. Do you think there is some potential for brand damage? You talked about not wanting the salmon industry to be the next forestry with its challenges, but we are almost at that point now because of some lack of public confidence. Rightly or wrongly, it's a confidence thing.

Mr GUTWEIN - I think that's a fair point to make 'rightly or wrongly'.

CHAIR - Yes and that's in relation to our brand as well. Do you see any particular risks there and how can we mitigate those?

Mr GUTWEIN - I have said on a number of occasions that I've had interactions with JBS and their local management and their Australian management. That was when we had the challenging situation regarding the closure of the Devonport abattoir and what we needed to then to work to -

CHAIR - King Island as well at the time, going back further.

Mr GUTWEIN - Devonport was my involvement at the time and the impact on the pork industry. I've said JBS were reasonable to deal with at that particular time and we were able to put a pathway in place to ensure that we could secure the future of the industry over a period of time and ensure that they had a way forward. I have said publicly that they were a reasonable corporate citizen to deal with and they were in that instance. Now, -

CHAIR - That's one isolated instance in Tasmania. I'm talking about their international reputation.

Mr GUTWEIN - I can speak with some authority on my own personal engagement and interaction with the business and they were a reasonable corporate citizen to deal with. Regarding the process that will occur from here, this is a matter for the shareholders but it is also a matter for the Foreign Investment Review Board. We will be asked for a view from the federal treasury as that process works its way through.

We will be asked whether or not this takeover or this purchase of shares is in the national interest. JBS has a strong footprint in this country on the eastern seaboard as well as having operations here. In fact, they deal with some of our finest products in the meat that we produce. It will be an interesting question for state treasury to answer for FIRB.

It would be hard to argue that on the basis that JBS have a strong footprint in both this state and across the country that it's not in the national interest for them to purchase, or be allowed to purchase, the shares in this particular company. I don't have any advice on that at this stage.

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CHAIR - When you look at the FIRB conditions they placed on Mr Lu of Moon Lake at VDL farms, they have absolutely no power to enforce all those commitments that were made that have not been complied with. There's a brand issue there for our dairy industry, a big dairy in the state. Here we have the FIRB being involved in that as well. Does that influence your advice to FIRB on our brand? I know you're talking about the national interest but Tasmania's brand is part of our national interest.

Mr GUTWEIN - These are all matters that I'm considering deeply. I would make the point with Mr Lu and the work that's currently underway with DPIPW and also with the EPA, my understanding is that they are on a pathway in satisfying the regulations that we need to be satisfied for the state.

CHAIR - They're not the conditions that FIRB placed on them. They're different.

Mr GUTWEIN - No, no. I understand that.

CHAIR - Yes.

Mr GUTWEIN - But as you would well understand, as a state we don't have any jurisdiction in terms of those FIRB requirements.

CHAIR - No. Neither does FIRB.

Mr GUTWEIN - In this particular instance, there is a process underway. The state will be asked its view on that question about the national interest but there are matters that I'm deeply considering as well.

Mr BABIAK - Given the fact you're asking these questions is Tasmanian. Our research shows it's not unusual for Tasmanians to push each other to do better. It's very clear that we care about protecting the environment. We care about safe, high-quality products. Richard Flanagan is part of the Tasmanian brand, so is this industry. Our view is can we get before everyone, and tell them what we've learned about the Tasmanian brand. While we can't force anyone to do anything, understand here's our pattern of success, here's what people feel about us. What can we do to get closer and closer to what we see as our ultimate opportunity?

DIVISION 9

(Department of Premier and Cabinet)

Overview

CHAIR - We move to the Department of Premier and Cabinet. We can ask this under Strategic Policy Advice because if you're asking the same questions you asked yesterday -

Ms WEBB - And some further ones from yesterday.

CHAIR - Can we do it under 1.1? That's my question.

Ms WEBB - Probably not all of them but some of them.

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CHAIR - If they're not related to policy advice, ask them. Otherwise we'll go on to 1.1. It is better to have them under a line item if you want to have any further debate, that's all; otherwise you can't.

Ms WEBB - It's not so much for further debate, it's more just for putting on the record today. It probably fits better in Overview or we can move on to 1.1 or do you have Overview as well? Let's start with Overview.

Premier, you recall last year in the budget papers all the PESRAC Interim Report recommendations which were listed were assigned with a lead department. I am interested to have an update on any that are assigned to DPAC as the lead department in terms of progress on those interim recommendations from the budget papers last year, in the sense of completed, in progress and appointed to if they're in this Budget.

Subsequently we have had the final report recommendations, are there any of those that are DPAC-led? Can we get an update? It would be handy to have this somewhere in the public domain for reference for the public, a table that lays this out and we wouldn't have to spend time asking it here. You also talked about last year to some extent.

Mr GUTWEIN - My expectation in reporting on PESRAC is that post this Budget and in coming years each department will report independently in its annual report against the measures they have responsibility for. Moving forward, I would expect that there will be clarity about where the recommendations are at and what progress has been made. That will be in each of the annual reports moving forward.

Ms WEBB - But not in the annual reports for 2021?

Mr GUTWEIN - No, on the basis of this Budget being later and the financial year now having finished in terms of reporting, it will begin next year in the annual reports. Each individual agency can provide an update of where it's at.

Ms WEBB - All I am asking is for each individual agency that comes to our table to do that but that's only half.

Mr GUTWEIN - Ms Gale can provide an update on the PESRAC progress.

Ms GALE - Ms Webb, I will be able to give you a high-level progress report and any further detail we may need to seek advice from Mr Limkin, the Deputy Secretary, Policy and Intergovernmental Relations. In relation to the DPAC recommendations through PESRAC that we have responsibility for, there were 36 in total for DPAC and 10 of those have either been completed or are a part of ongoing business as usual. There are 26 underway so -

Ms WEBB - I will be looking for an indication against each of the numbers which you can provide to us later.

Mr GUTWEIN - I am happy to provide you with an update and respond to a question.

Ms GALE - Otherwise I will have to go through and find every one.

Ms WEBB - I will move on to the next question.

Premier, in the 2021-22 Budget, I am interested in the portfolio output groups that you are responsible for under this portfolio, firstly, whether any policy and/or election initiatives that are within that responsibility were evaluated for potential gender impact, positive/negative status?

CHAIR - Can we put this under 1.1 because it is policy and advice. I think it would be good.

Ms WEBB - That's fine. I will go to another one.

Premier, this is with regard to DPAC's right to information performance and resourcing. My question is in two parts. Firstly, I'm noting in the RTI annual report for 1 July 2019 to 30 June 2020 which was tabled in parliament that of the 16 DPAC RTI requests determined either in full or in part, six of those took more than 20 working days to be determined.

Firstly, can you provide the average turnaround time from receipt to determination for all departmental RTI requests, for both the 2019-20 financial year and the 2020-21 financial year? In terms of the financial year 2020-21, the number of RTI applications received, determined in full, partial or refused, and the number of days that were taken for each of them.

The second part is about the staffing resources for RTI within this department. I'm interested to know the number of full-time staff with RTI responsibilities and whether they're full-time RTI officers or whether they take those duties on in addition to other employment duties. I'm interested to know the departmental staff RTI training resourcing allocations for the 2019-20 and the 2020-21 financial years and what's projected for this financial year?

Mr GUTWEIN - Right, Ms Webb thank you for that question. You have asked for a number of details. I'll make this start and perhaps Ms Gale can provide some of that further detail. What we don't have available today we can certainly take on notice.

What is the protocol for questions on notice? Do they get put in writing, or is it just -?

CHAIR - They are put in writing but what we're doing is clarifying the actual question so everyone is very clear on both sides of the table what the question is.

Mr GUTWEIN - The department has five delegated RTI officers undertaking assessments for the department and my office. Regarding the numbers and time frames for RTI requests, I'm not sure. Do you have much detail, Jenny?

Ms GALE - Through you Premier, we had done 27 RTI applications that were determined in the 2020-21 period. We don't have the number of days per RTI application because we normally only keep statistics on how many are determined within the 20-working day period, which is the legislated period, so we don't get the number of days. I could see whether we have that but I'm not certain. Of the 27, a total of 23 were determined within the legislated 20-working day period. The other four had agreed extension periods and they were all determined within those agreed extension periods.

Ms WEBB - What about the staffing questions that I asked?

Mr GUTWEIN - In terms of how many?

Ms WEBB - Yes.

Mr GUTWEIN - I answered that, there were five.

Ms WEBB - I must have missed that earlier. I was fiddling with my papers.

Mr GUTWEIN - The department has five designated RTI officers. You had asked about training, I think -

Ms WEBB - I also asked of those five, are they full-time RTI officers, or do they have other additional duties?

Ms GALE - They do that work in addition to other duties. They are part of the executive services branch, so we have them with other duties but we prioritise RTI as they come in, as you can see from having completed the majority within the legislated time frame.

Ms WEBB - The RTI training resourcing allocations?

Ms GALE - We don't have specific allocations for RTI and I'd have to take on notice what we did last year. I know that we had training that was planned by the Ombudsman, that a number of our officers were due to complete. My memory is that it was postponed due to the COVID-19 outbreak and I'd have to seek further information as to whether that has reoccurred and how many of our staff were involved in it.

Ms WEBB - Okay, thank you. We might put that on notice then as a question to get the answer.

CHAIR - The question is?

Ms WEBB - The question is what funding was allocated for RTI training in the department in the year 2019-20, 2020-21 and projected for this year, 2021-22?

CHAIR - You will take it on notice.

Ms WEBB - I want to ask about the diversity and inclusion framework and its application to this department, if that's okay in this overview?

CHAIR - You want it in 1.1 as well as?

Ms WEBB - I can, I'm getting a stack there for 1.1, but that's okay. Would you like me to carry it over to 1.1?

CHAIR - Yes, carry it over, yes.

Ms WEBB - Regarding the Ombudsman, during budget Estimates last year you detailed how you intended to address the alarming findings at that time that came out of the Ombudsman's RTI report. That report found, amongst other things, that the data examined Tasmania's public agencies' RTI refusal rate was nearly twice as high as the next interstate

counterpart and 750 per cent of Australia's most open and transparent jurisdiction. You were having discussions with the Ombudsman about that and addressing it, including concerns over application and review backlogs. Premier, I note you also stated during those Estimate hearings you had undertaken to work through a range of matters identified in the Ombudsman's report last year and in your subsequent discussions with him, and you would have more to say in the new year. Are you able to provide a progress update as to how you are or are intending to drive an improved whole-of-government approach to sharing information, as well as any additional resourcing that has been identified - whether we would find that commitment in the Budget?

Mr GUTWEIN - The government provided the Ombudsman with an initial \$500 000 additional funding this year; \$750 000 additional funding next year; and \$1 million a year moving forward. I began the conversation with Richard Connock late last year, we then had other meetings and Mr Connock sought to speak to other jurisdictions to consider what best practice management of RTI might look at.

It would be fair to say that there is no common platform for managing RTIs across the federation. I know Mr Connock is also working with the Attorney-General. In response to some of the challenges the Ombudsman had raised regarding resourcing, we made that immediate step to provide him with additional resources. I am not sure whether he comes under my portfolios.

CHAIR - No, I think this is more a matter for the Attorney-General. You will probably need to forward some of those questions to the Attorney-General.

Ms WEBB - The Premier had taken some personal responsibility for it last year.

Mr GUTWEIN - As Premier and Treasurer, as I just indicated we have provided Mr Connock with significant additional funding.

Ms WEBB - Is it your understanding, Premier, that that funding is sufficient to address those backlog concerns and delay concerns that were at the core of the conversation?

Mr GUTWEIN - That is a question that you would be better to ask Mr Connock. We have had one brief discussion since the commitment was made and Mr Connock told me how pleased he was to have the additional funding and the opportunity to increase the resources in his office. They would be questions more properly put to the Attorney-General and Mr Connock.

Ms LOVELL - Premier, my question is in relation to funding that was provided last year to Unions Tasmania to enable them to establish a worker helpline, to give advice around COVID-19 related issues in their work and how that was impacting on them. There appears to be no further funding allocation in this year's Budget for that service. Despite the fact that we are not suffering from any outbreak or anything in the state at the moment - we have been very fortunate - they are still getting quite a high volume of calls. It is clearly a service that is still needed. My question is why that service was not seen fit to be continued with further funding?

Mr GUTWEIN - As you would be aware, the union has requested additional funding. I have just been advised there is a brief on its way to which, should I agree to it, will provide the additional funding from DPAC's internal resources. There is a request for an increase, and there is a recommendation coming back that I will shortly consider.

Ms LOVELL - I would encourage you to consider that favourably.

Mr GUTWEIN - I would make the point, that the engagement with the unions over the last 12 months was valuable and there were many issues at the time, they did provide, what I think was a great service, especially when we were closed down for a period of time. I will get that brief in the morning and make a decision on it.

Ms LOVELL - Thank you, and I am pleased to hear you say that because we have been navigating a lot of unknowns and they have played a really important role in that for workers.

Mr GUTWEIN - Across the board everybody has done their bit.

CHAIR - Sebastian.

Dr SEIDEL - Thank you Chair. Premier, I put the same question to all your ministers. As you know, we also have question time in the Legislative Council where we ask questions without notice and the convention is to get a response within 24-48 hours but often it is weeks if not months. May I ask you Premier, are you committed to provide an answer within 48 hours and if you are unable to, for whatever reason, would you be able to update the Legislative Council through the Leader of the Government that there are delays and to give us a time?

Mr GUTWEIN - How many questions are not answered within the timeframe? I would have to say, I know there a lot that come across my desk I need to read urgently and deal with.

Dr SEIDEL - They are reasonable questions. I hear the argument about they're detailed - of course they are detailed, very specific questions. They are not questions on notice, they are without notice, so -

Mr GUTWEIN - Correct me if I am wrong, but I think what you have asked me to commit to is if there is a question on notice and it cannot be answered within 48 hours we provide a response to the Leader to update the House as to the progress of the answering.

Dr SEIDEL - That is correct, yes. So, we have a basic idea when you intend to answer the question.

Mr GUTWEIN - I cannot see any issue with that.

CHAIR - Meg, you have another -

Ms WEBB - I can fit everything into the next line-item if you prefer?

Output Group 1
Support for Executive Decision Making
1.1 Strategic Policy and Advice

CHAIR - Okay, not another overview? Okay, we will move to 1.1 and Premier, this includes Tasmania's engagement with national Cabinet. Obviously, there is a lot of policy and advice that goes with each - from, up to National Cabinet and back down. I really want to get a better understanding of what your thoughts are in relation to the national plan for reopening

or whatever you want to call it., what input you have had into that. When we watch the news, you do not seem to feature very often, they just talk about those other nasty, big states. I am really interested what your take is on this and what clear description of the plan is from your perspective for Tasmania?

Mr GUTWEIN - Thank you for that. In terms of the two larger states, to be frank, I am pleased we do not feature as prominently as those, if we were to I think it would mean we had significant case-numbers and challenges. The other issue is, obviously, in terms of the separate state of - the separate country of Western Australia takes a different view on a number of matters. You would note in the Budget this year, we raised the issue of the GST - something that, as a state, we -

CHAIR - We will come to that in the next portfolio areas.

Mr GUTWEIN - note is challenging. With the national plan what was agreed by National Cabinet was the four-step plan where we would put out the information supported by the Doherty modelling. In terms of the four stages obviously, moving towards 70 per cent, once the country has reached an average of 70 per cent, if they have arrived at 70 per cent states can opt into that next stage and likewise at the 80 per cent.

The plan is quite clear. There seems to be a lot of misinformation being floated about what is and what is not possible and I would make this point. When you look at the Doherty modelling it is very clear the plan is underpinned by a level of public health measures and the only way you can drive the R factor down, even at 70 per cent or 80 per cent is to have in place base public health measures. These include, social distancing, one in two square metres, et cetera and broadly speaking, the Doherty modelling uses as its baseline the current level of restrictions we have in place in Tasmania. That is the base level. Around the country we have other states -

CHAIR - Don't they also recommend wearing of masks in smaller spaces?

Mr GUTWEIN - We have moved to that with the major events, as you would be aware.

CHAIR - Yes.

Mr GUTWEIN - In the other states the situation - and I will point to Western Australia, for example, their reproductive factor is very high on the basis they have zero or they have no restrictions in place and, should they have a case, it will be very problematic for WA. The contrary option to that is New South Wales with public health restrictions at a very high level at the moment. What I envisage will happen as we move through this - and I have been very clear about this in my public statements in recent weeks and again in the past couple of days - it is not my expectation that New South Wales will reach 80 per cent and then suddenly drop all public health restrictions. That just simply will not happen. That would be unacceptable for the rest of the country.

CHAIR - It needs to be made very clear by the New South Wales Premier that's the case, yes.

Mr GUTWEIN - I will not be drawn on commenting, as other Premiers are of the challenges Ms Berejiklian faces; they are matters for her. My expectation would be in the same

way that New South Wales has stepped through its public health measures from initial hot spot management to then local government areas, then regional areas, then the city, then the regions, then to the whole state being locked down, it is my expectation they will step out of that in reverse to how they stepped into it.

The reason being if you take the view that suddenly at 70 or 80 per cent, you reduced all public health measures and removed the lockdown, for those not vaccinated the virus will run rampant. It does also impact those who have been vaccinated. Their public health system is under enormous pressure at the moment with significant bypasses in place in surgeries and other matters not being conducted because of the circumstances they face, it just would not cope.

CHAIR - How are we going to manage? What are we going to do in Tasmania?

Mr GUTWEIN - What we will do, as other states step back and reduced their restrictions, we will continue to have the lockdowns and the border restrictions in place to those high-risk areas. As New South Wales steps back - and I would imagine that regional New South Wales will come into play first because they then work their way back, subject to public health advice - then we would allow travel between the states based on public health advice depending on what restrictions were in place in that jurisdiction.

I see a graduated step-in over time. I have made the point and am very clear in my mind about this and certain public health are of a similar view - we will not allow plane loads of COVID-19 positive people to arrive in Tasmania put us into a position that would damage our public health system.

CHAIR - Will you require people who travel to Tasmania to be vaccinated?

Mr GUTWEIN - I will use the term 'vaccine passports' - that is currently under consideration by all the states and we are working with Victoria and the Northern Territory on what that might look like. The principle though we need to apply in Tasmania as a starting point is everybody needs to have had the opportunity to have been vaccinated, firstly, that is, the eligible population.

Once that threshold has passed then there should be benefits for those people who have been vaccinated, as opposed to those who choose not to. We will work through those processes. I would expect those decision points will come in at 70 per cent some time in October, at 80 per cent some time in November, but we will have much more clarity from the national cabinet before then.

CHAIR - This is more a matter for the Minister for Health and we will talk to him tomorrow about that. When you say a 70 or an 80 per cent vaccination rate, we have pockets in our state that are much lower than other pockets in the state. A lot of them sadly, are in my electorate and there are a lot of reasons for that. When you talk about the high-level figure of 70 or 80 per cent, are you talking about every community having that level on average or the state?

Mr GUTWEIN - The starting point is the state and I am certain the Minister for Health tomorrow and his team working on vaccination will be able to explain the steps they are taking to understand where there is lower coverage than others and how they will be -

CHAIR - I am just after the high-level stuff about this plan.

Mr GUTWEIN - Yes, and how they will be reaching in and providing other opportunities for those communities to increase their vaccination rate. Obviously, with Moderna now coming on line I'd expect that pharmacies and GPs will start to utilise that across the board. Now they have access to both Pfizer and to AstraZeneka (AZ) so the opportunity for Tasmanians to receive their vaccinations is increasing all the time. Where there are pockets, we will reach out to those communities.

Dr SEIDEL - Premier, you mentioned the Doherty Institute modelling. Have you received the state-specific modelling for Tasmania?

Mr GUTWEIN - Not yet.

Dr SEIDEL - Will you receive the raw data for Tasmania so your own Department of Health can do contact-specific modelling?

Mr GUTWEIN - The Doherty Institute is currently working on that for National Cabinet. I'm not sure, but it will come in coming weeks.

Ms GALE - That's right, Premier. I am not sure about the raw data. We would need to talk with Doherty about whether or not that would be made available but we'll certainly have Doherty's analysis of the modelling that they've conducted.

Dr SEIDEL - What capability do we have of analysing the raw data for the Doherty Institute? Are we relying on the Doherty Institute to give us their advice and their interpretation of the data model for Tasmania?

Mr GUTWEIN - I am sure if there are issues identified with the Doherty modelling then across government, I would think we would have the ability to review that work. It depends on what you're looking for.

When you say: 'analyse the raw data', what do you mean?

Dr SEIDEL - Specifically, if you have data for Tasmania and you want to allow masked events to take place, you'd probably model specifically what potential implications would arise if there was a positive case - in a footy venue, for example.

Mr GUTWEIN - At the end of the day, this all comes back to mathematics. Yes, I'm certain that based on that data in terms of what the RF factor might be, then I'm certain that we would be in a position to understand that.

Dr SEIDEL - True, but it is context specific. So, it's not just the raw data based on mathematics. It depends on applying it to the context that you decide early on: how many people are coming in, what the vaccination rates are, and so forth.

Ms GALE - Through you, Premier, the Doherty modellers make assumptions based on the number of cases; the reproduction factor, as the Premier has already said; and the public health and social measures that are in place. So, the modelling takes those into account.

CHAIR - They consider the demographics.

Ms GALE - Yes. It's quite comprehensive modelling and it will be targeted to Tasmania when we get it.

Mr GUTWEIN - When we get it, then we will make a judgment as to whether or not it's granular enough.

Dr SEIDEL - Can you provide them with data with regard to availability of intensive care unit beds and intensive care unit teams?

Mr GUTWEIN - They have all of that information.

Dr SEIDEL - You update this on a regular basis? They have access to the data in real time?

Ms GALE - I am not sure in real time but it's updated regularly.

Ms WEBB - I have been looking at the 4 Point Delta Shield Plan and I have some questions on that.

The high-level summary brochure that's on the coronavirus site, which is where I was looking for information, states that the plan is to assist with planning preparation should a future circuit-breaker lockdown be required.

My first question is: can you clarify the conditions which would trigger a circuit-breaker lockdown? Is it one confirmed case of COVID-19 or two or five? Is there a threshold that you have in place for that?

Mr GUTWEIN - Dr Veitch and I have explained this on a number of occasions publicly. It depends on the circumstance of each individual case. I refer back to a month ago where we had a Delta case in the state. That Delta case had arrived on a flight of people from Victoria. They had come through our system and had then been quarantined because they didn't have a G2G Pass and there wasn't an available flight to return them home on that day, I think. That was dealt without a lockdown, the reason being that our contact tracers understood the immediate close contacts with whom the person had been in contact. They were able to be isolated; there was no need to lock down either the region or the state. That would have been a completely different outcome had that person attended a local football match. Whether there would be a regional or a localised or a statewide lockdown, the immediate contact tracing that occurs would determine whether or not the risk was likely to have spread statewide. If I use, for example, the racing industry: if race meets are being held in Hobart that had drawn horses and trainers from all over the state and a case was identified there, then a statewide lockdown would potentially be the outcome as with any other major event.

Each individual circumstance needs to be considered but it's the immediacy of the contact tracing that occurs and the understanding of where those contacts are and who is a close contact of one of those primary contacts that enables Public Health to make a decision.

PUBLIC

Ms WEBB - I will go onto the next question relating to the 4 Point Delta Shield Plan. Under the heading 'Stay at home', it says:

If you are not a Tasmanian resident and don't have a suitable place to live under the stay-at-home direction, you will need to leave the state.

I wanting to be clear. Are you saying that if we go into a lockdown in the future, will we actively seek to deport non-Tasmanian residents, even if they COVID-19 free?

Mr GUTWEIN - The issue with a lockdown is limiting movement. If somebody does not have a premise in which it is appropriate for them to be domiciled for the period of the lockdown, then we would prefer that they leave the state.

Ms WEBB - Will we be actively deporting them as such?

Mr GUTWEIN - I would be messaging very strongly that we do not want somebody who is in the state on a week's holiday staying at seven different hotels over the course of that period. It defeats the purpose.

CHAIR - It is what we did with the first outbreak.

Mr GUTWEIN - It is exactly the same as we did then. 'Deporting' is very strong language. I don't believe I have the power to deport someone but the Director of Public Health could write a direction which would have the force of law that could require people to leave the state under those circumstances within a certain period of time.

Ms WEBB - If we needed to go into either a regional or a statewide lockdown, will that require another state of emergency declaration or will the current Public Health Emergency provision be sufficient for that?

Mr GUTWEIN - My understanding is that the current Public Health Emergency provisions would enable the directions to be put in place to allow for that to occur.

I think that if we were to go to a statewide lockdown because of the additional powers that would be provided to the State Controller under those circumstances that I would receive advice as to whether or not I should request a state of emergency.

CHAIR - It is your call and yours alone.

Mr GUTWEIN - I would take advice on that.

Ms WEBB - Our current Public Health Emergency Declaration currently in place will expire on 21 October. Is it your intention to extend that until a particular time, say, when we reach a designated vaccination level or some other particular circumstance?

Mr GUTWEIN - That would be a matter for the Director of Public Health. It is his emergency to call but my expectation is that it will be extended.

Ms WEBB - Until a particular set of circumstances are reached, is it your understanding that there's advice on that?

PUBLIC

Mr GUTWEIN - If the Director of Public Health wished to, he could remove the Public Health Emergency at any time if he felt the risk had passed. It is a judgment call that the Director of Public Health would make.

Ms WEBB - During yesterday's hearings you clarified that Tasmanians' check in data provided over the Check in TAS app is only stored for 28 days as per the legislation and is accessed solely for the purpose of Public Health. Other agencies, such as the police who want to access it, require a warrant.

Can you confirm for us whether any warrants have been sought for the purpose of accessing the Check in TAS app data since the app has been available? If so, have any warrant applications been successful, either in part or full?

Mr GUTWEIN - Not to my knowledge. I have had no advice in that regard.

Ms WEBB - Can you also give us detail on the number of COVID-19 Check in TAS app infringement fines which have been issued to date since it became compulsory?

Mr GUTWEIN - I can get those numbers. I don't have them to hand with me at the moment.

CHAIR - Are you reiterating that question?

Ms WEBB - Yes.

Mr GUTWEIN - So COVID infringement notices?

Ms WEBB - The number of COVID-19 Check in TAS app infringement fines that have been issued since it became compulsory to check into premises. And there's a final one on the COVID-19 area.

Premier, I am sure you would be well aware of the stressful and difficult circumstances of many Tasmanians who are stranded interstate at the moment and desperately wanting to come home. I understand the Government is working to obtain access to more accommodation so that people can do so.

Given the likelihood that this will continue to be an issue potentially for some time, have we considered going down the path that Queensland has recently announced, of actually constructing our own fit-for-purpose quarantine centres to provide Tasmanians with an ability to return home more promptly?

Mr GUTWEIN - I have written to the Prime Minister recently on that matter. I'll provide some further advice to the committee. I advised the Prime Minister that we would be submitting a proposal for a standalone purpose-built quarantine facility. The dedicated quarantine facility would be located near the airport.

CHAIR - The Hobart Airport?

Mr GUTWEIN - Near the Hobart Airport. The work is being done in understanding its location. KPMG have been engaged and they are developing the final costings and analysis of the centre. There are a couple of models that are being proposed around the country. The one in Victoria specifically is the one that we're basing a lot of our work on. It would have the capacity to have up to 500 rooms plus the closed loop, as best as you can design one of these as a closed loop. That would mean that laundry - those sorts of things - would be dealt with on site.

The discussions will continue with the federal government. One of the challenges we have - and I would make this point very clearly - at the height of the outbreak last year in other states, we had nearly 800 hotel rooms that we were managing for returning Tasmanians or visitors to the state. With the Delta strain, it became apparent that the infection protection control measures had to be at a much higher level. Matters like air conditioning, ventilation, are so much more important with the contagious nature of the Delta strain and with other strains that we're now seeing around the world as well.

The challenge we have at the moment is that a lot of the facilities that we had acquired and leased last year are no longer fit-for-purpose. At the moment we're in the process of standing up additional rooms in fit-for-purpose accommodation, houses that meet our infection protection control requirements. I announced on Sunday that we put an additional 28 rooms into the system which would hold 56 people. There are a further 100 rooms that are currently being assessed and there may be a need for some additional investment to improve the air conditioning arrangements in that particular facility. We're working through that at the moment.

Regarding a standalone quarantine facility, we are engaged with the federal government. That's a conversation that I want to follow through. We are in a slightly different position to the other states. Whilst we will have an international airport and one international route which has been confirmed for the next two years, the other states, as international borders open, will be receiving flights from a range of different countries and a range of different airlines. Therefore, their need for purpose-built quarantine centres, I think, is at a higher order level than we are in Tasmania.

However, there is an opportunity for us to play a part in the national effort as we move forward. Over time, there will be a level of quarantine restrictions that will impact both on visitors and trade to the country, but also the need for seasonal workers to enter.

At the moment we are sharing, we have a partnership with Victoria, whereby they initially took 350 high-risk repat-returning Australians for us. We took on board 1500 seasonal workers for them. We just rolled that and extended that, but I would see that the need for seasonal workers entering the country over the next couple of years is going to remain high. I think there's a role that Tasmania might be able to play in that, both in terms of international flights into Tasmania and requiring quarantine and for domestic. Also, we could be stepping-up and providing support for the rest of the country with seasonal workers if we had our own purpose-built facility. That discussion is underway.

Ms WEBB - Any ideas on the time line that may play out?

Mr GUTWEIN - The general rule-of-thumb with these is that they expect to get them up within 8 to 12 months.

CHAIR - Ambitious in the current climate.

Mr GUTWEIN - It is very ambitious, but that is the general rule-of-thumb, so, we will continue those discussions at a national level.

CHAIR - I assume that would be on Commonwealth land we're talking about, or not?

Mr GUTWEIN - Yes, it is on Commonwealth land. There are different arrangements in place in terms of planning and approvals.

CHAIR - Does that make it quicker or slower?

Mr GUTWEIN - One would hope it would make it quicker.

CHAIR - That remains to be seen. Sarah, would like to follow-up on that.

Ms LOVELL - Yes, just in terms of funding for that type of project. What would be the expectation as to who would fund it and what quantum of funding would it require?

Mr GUTWEIN - The proposal that the Prime Minister provided to the states was that they would meet the capital costs. The state would meet the ongoing running cost. With a facility like this it's important that both with its location and its functionality, we are also planning for what it might be able to be used for post-COVID-19, whenever that might arrive.

The view of other state leaders, and I share this view, is that these sorts of facilities can always be used for large conferences, events, sporting teams et cetera. Importantly, over the next couple of years, we need to ensure that we do have appropriate quarantine arrangements.

CHAIR - Alright, we'll move on from that point, but are there other questions on 1.1?

Ms WEBB - I have more. Premier, regarding this Budget and your portfolio that we're dealing with at the moment. In terms of the output groups and the policy-related line items they contain, can you detail for us whether any policy and/or election initiatives were evaluated for potential gender impact, positive, negative or status-quo of the policy intent? What was the outcome delivery of that within the community?

Secondly, if so, could you provide the detail of the policy and election initiatives for which a gender impact assessment was undertaken and the metrics used? Do you have any detail about gender impact post-implementation and delivery outcomes evaluation metrics that you have in place for those items?

Mr GUTWEIN - No gender impact statement was completed for either election commitments or of any of the initiatives that were brought forward. Obviously, there were initiatives that were focused in terms of outcomes regarding gender. There is a range of initiatives through the Budget that focus on increasing opportunities for women in leadership, other supports, in being able to engage in the economy, but broadly speaking a gender impact statement wasn't completed.

Ms WEBB - I move onto the next one -

CHAIR - Just before you go off that one. Do you have someone in your department, or maybe within Treasury - which may be a question for Treasury - who would have the capacity to actually undertake a gender impact assessment and provide a statement for you? Or do we lack those skills in order to get a formal inclusion in the budget papers next year, perhaps?

Mr GUTWEIN - I know the Minister for Women has made a commitment - she sees its importance. I understand there are others who see the importance of this. It is something I will take advice on. I am not certain whether or not we currently have the necessary skills and resources. Importantly, part of that advice would also be in terms of what the construct and context is and what would actually be included.

CHAIR - The format of a gender impact statement, yes.

Mr GUTWEIN - The format of it, yes.

CHAIR - There are other models around the country and world to look at. The UK does a pretty good job on it.

Mr GUTWEIN - And we will need to draw on .

Ms WEBB - Last year when we spoke to the Minister for Women in Estimates, we asked her and she gave an undertaking to investigate what would be required to provide that - just to look at what would be required - but nothing subsequently emerged in terms of what came of that commitment to look at that. Can you make a commitment for us today to actually investigate what the requirements would be to provide that as part of the next budget and share that with us so we can understand the parameters around those requirements?

Mr GUTWEIN - I thought the Minister for Women had made that commitment.

Ms WEBB - She did last year, the minister who was then -

Mr GUTWEIN - No, no.

CHAIR - No, she answered a question to me in the Chamber.

Ms WEBB - Right. Sorry, my understanding was that commitment given was to look into or advocate for, but I am looking for a commitment to actually tangibly assess what would be required and to share that so we can see that assessment has been made.

Mr GUTWEIN - I am happy to provide a commitment we would conduct that assessment.

Ms WEBB - Thank you. I would like to talk about the diversity inclusion framework. The question goes to your Department of Premier and Cabinet - obviously, that is the area we are in - and the implementation, status of the diversity and inclusion policy and more specifically, this agency's performance in delivering the diversity and inclusion framework 2017-2020 goals and actions.

PUBLIC

Putting aside the state service management office whole-of-government response coordination role, I am looking for detail about specific benchmarks and metrics in place by which DPACs internal implementation and success or otherwise of that framework is measured and evaluated so we can understand how that has gone. What is the DPAC current diversity and inclusion employment and culture status when you measure them against that and look at how well that framework has been rolled out within DPAC? Finally, what measure does your agency have in place to ensure ongoing improvements in its diversity and inclusion employment rate and workplace culture, noting the indicative framework timeframe has actually come to an end in 2020?

Mr GUTWEIN - I will ask Jenny Gale to provide some commentary on that. There were a couple of points I would make, though. Firstly, the gender balance across the public sector you would be well aware around 70 per cent of all of the staff we employ are women across the broader public sector.

CHAIR - It is a highly-focused delivery of service.

Mr GUTWEIN - It is and as a result of the under-service delivery of requirements. Secondly, the steps we have taken in terms of senior leadership, across the public sector now, very pleasingly, is the fact that June 2021 close to 54 per cent of the senior executive service officers by gender are female. If we go back to 2014, it was 28 per cent so, significant steps.

Ms WEBB - To bring you back to the question because it is not about the broad context, it is about DPAC and the framework rolled out within that department, because I will be asking it for each department.

Mr GUTWEIN - No, that is fine.

Ms WEBB - You do not feel you need to have to cover the others, just in this one.

Mr GUTWEIN - Technically speaking, I am the responsible employer and I -

Ms WEBB - Yes but I did say putting aside that whole-of-government role. I am focused on the DPAC.

Mr GUTWEIN - Right. I am certain we can provide some further detail in terms of DPAC.

Ms WEBB - Thank you.

Mr GUTWEIN - I thought you might be interested in the fact it has been a fantastic success story under this Government over the last seven years, where the number of senior leadership roles have almost doubled.

Ms WEBB - Very pleasing and it is nice to see across the table today probably more women than we had here in the entirety of yesterday.

CHAIR - Very male-dominated yesterday, Premier. It was very sad.

Ms WEBB - Very male-dominated.

Mr GUTWEIN - Who did you have yesterday?

CHAIR - Ferguson.

Ms WEBB - There is a colloquial term we could use but we won't.

CHAIR - We will not make any more comment and move on.

Mr GUTWEIN - All of my ministers are part of the Government that has seen a significant increase in the number of women in senior leadership roles. That is something well worth pointing out.

The other point I make is across Government boards and committees we have seen substantial growth again in the number of women who hold positions. I am personally very proud of that. It may not suit the answer to the question you are asking, but worthwhile putting on the public record.

Ms WEBB - That is fine. I am focusing into a more specific -

CHAIR - We need to move on, we have a lot to get through before Treasury.

Is that all for 1.1?

Ms WEBB - No. I did not quite get an answer to that question. You can either take it on notice.

CHAIR - What is the question?

Ms GALE - We did have an action plan for gender diversity in DPAC which outlines a range of actions under key headings and you asked a question about metrics. I do not have the metrics to measure against that, but I know we have put in place a number of these policies and recruitment practices and so on. Unfortunately, we have not done an evaluation on the metrics. That is largely because the focus of our work over the last 18 months has been on COVID-19, unfortunately. Things like the flexible workplace policy is very much alive and well in DPAC. We have a number of people who are accessing that policy and we became very flexible over COVID-19. When people started to return to work from COVID-19, we then reemphasised we had the flexible working policy and encouraged those who had that experience over COVID-19 might like to have more flexibility in the workplace and to discuss that individually with their manager. I do not have any cross-agency statistics in relation to that.

Some of the other actions we had were to recognise and celebrate women in the Tasmanian State Service. DPAC is the sponsoring agency for the Women Supporting Women Network which again unfortunately, we had to put on a vacation during COVID-19. That is now reinvigorated and we have events planned for this year. Alice's team leads a small team in DPAC who work with whole-of-government people. That involves not just DPAC, but all other agencies. We have a list of actions I can provide to you.

Ms WEBB - That would be great.

PUBLIC

Given that framework has now concluded, is it the sort of thing that would be revisited so you could then put in place another action plan going forward, whilst also acknowledging diversity and inclusion is not just about women, it is about broader groups of people and cohorts?

Will you be reporting on that framework we have had and then concluded in your annual plan and then laying out one forward?

Ms GALE - We have not finalised what we will be putting in our annual report this year. I will need to take some advice in relation to whether we were planning to do that or not.

Of course, diversity is much more than gender, although gender is a very important part. At DPAC and across government, we also have the Aboriginal Employment Strategy, for example, which we actively participate in. Also, our Graduate Program which is about getting more young people into the State Service through traineeships and cadetships in some agencies. DPAC is a very active contributor to those policies and we apply them in our agencies as well as encourage other agencies to do the same thing.

We also have put in place many supports for workers with disability where people request those supports. We actively work with our employees with disability to make sure we make whatever accommodations we can to ensure they have a successful working career through DPAC.

Ms WEBB - Premier, now that PESRAC has provided its final report and completed its functions, can you please detail the total cost of the PESRAC process since you announced it last year such as all secretariats' support, including full-time staff assisting administrative costs for stakeholder consultations, et cetera.

Mr GUTWEIN - I am happy to get that detail for you.

CHAIR - On performance information, you know how I love performance information that is outcomes focused.

These are performance measures that relate to this area. I am on the bottom of page 257:

Policy, project and program advice and implementation meets expectations of stakeholders was 80 per cent and target is 82 per cent for next year, the year we're in. Premier and Cabinet receives high quality rigorous and timely policy advice, 100 per cent. How are these measured?

Ms GALE - I was hoping that you might start with a positive statement Ms Forrest, to say that they were vastly improved from last year.

CHAIR - We are getting there; it is slow but steady.

Ms GALE - In relation to the stakeholders' expectation, this year we had a team of our staff working on the key performance measures so we devolved that and tried to encourage people to think more carefully about how we would manage our performance. The expectation of stakeholders came back very strongly through that. This year we only had time to do a survey of deputy secretaries but our intention is to do a broader survey in coming years.

PUBLIC

For the expectations of stakeholders and collaboration - the first one and the third one - they were calculated through a survey of deputy secretaries. In relation to the high-quality rigorous timing policy advice, the measure there is the number of times that DPAC provided advice consistent with the 10-day rule and Cabinet handbook. We need to note there that the Cabinet minute does not make the 10-day rule. It is not included in the statistic because, clearly, it becomes more difficult to provide that timely advice on the odd occasion when things don't meet the 10-day rule. It is really to do with the number of times that we provide that advice consistent with the 10-day rule.

CHAIR - Even with a rapidly changing landscape that COVID-19 presented last year, that still managed to be a 100 per cent of advice that was provided within that 10-day rule and in line with the handbook?

Ms GALE - Correct.

CHAIR - That is a pretty good effort.

Ms GALE - The policy team works really hard. They have had a big job and they have done a fantastic job of it.

CHAIR - The deputy secretary is worn out, I think.

Mr GUTWEIN - I did make mention of Craig Limkin, the deputy secretary yesterday at the opening of DPAC. He has been outstanding throughout this.

CHAIR - I hope he is taking care of his health then too, Premier.

Mr GUTWEIN - I would hope so.

Ms WEBB - Premier, when you decided to call the general election to coincide with the Legislative Council period election for the first Saturday in May, did you seek advice on the desirability of a concurrent election including from the Tasmanian Electoral Commissioner or anyone else? Did the Electoral Commissioner or office provide any indication, verbal or otherwise, expressing reservations over holding two elections on the same day? Just to note, I am not asking about the legality, I am asking about advice around desirability or reservations.

Mr GUTWEIN - I will be clear. I sought legal advice as to whether or not it was possible and I received that advice. In terms of advice regarding any reservations, no.

Ms WEBB - You didn't seek advice about the desirability or whether there were any concerns? Or you sought it and didn't receive any to the negative?

Mr GUTWEIN - I spoke with the Electoral Commissioner at the time after I had received advice that it was possible. We had a discussion and I will not go into those matters.

Ms WEBB - You won't comment on whether the Electoral Commissioner provided you with advice about the desirability or reservations about holding them on the same day?

Mr GUTWEIN - I didn't seek advice.

PUBLIC

Ms WEBB - You didn't seek advice from the Electoral Commissioner? You had a conversation.

Mr GUTWEIN - I sought advice in terms of whether it was legally possible to do so. I had a conversation with the Electoral Commissioner and there was nothing that dissuaded me from having the election on that day.

Ms WEBB - But you didn't seek his advice on its desirability?

Mr GUTWEIN - I am not going to get caught up with semantics. At the end of the day, I spoke with him. Nothing dissuaded me from holding the election on that day.

Ms WEBB - The Commissioner did not provide you with reservations or concerns in that conversation?

Mr GUTWEIN - I just said that nothing dissuaded me from holding the election on that day. I thought it was a very successful day, to be frank.

Ms WEBB - The disenfranchisement of thousands of Tasmanian voters is an unfortunate thing to classify as successful.

Mr GUTWEIN - By the sounds of it the disenfranchisement of one particular member of the upper House seems to be something that I am hearing all the time. We will leave that.

CHAIR - We will move on to 2.1, Premier.

Ms WEBB - I'm sorry, disenfranchisement? If that was a comment directed to me, I don't understand the reference.

CHAIR - Have you got a question?

Ms WEBB - Just in terms of the intent of the Premier's comment just then.

Mr GUTWEIN - I'm just making the point that it appears to be a matter that you have grave concerns about.

Ms WEBB - How is that a disenfranchisement?

Mr GUTWEIN - I'm sorry if that's a word that doesn't suit then perhaps let me reframe that. It's obviously a matter that you have some concerns about.

Ms WEBB - Yes and it's in the public domain that those concerns are shared quite broadly, Premier, just to clarify that it's hardly a single person concern that has been expressed.

CHAIR - Right. These are expressions of opinion. We will move on to 2.1.

Output Group 2
Government Processes and Services

2.1 Management of Executive Government Processes

Mr GAFFNEY - Rob Valentine is pedantic. I think there's a mistake in the descriptor here. I think the words 'and advice' are in the wrong place.

Mr GUTWEIN - Whereabouts are you, Mike?

Mr GAFFNEY - Page 258, the descriptor of Management of Executive Government Processes 'and advice' should be up near the -

CHAIR - Do you get into trouble if you've picked up a typo?

Mr GAFFNEY - Administrative, yes. It's not a typo, it's a wording that you should change. I think 'and advice' should be up near 'administrative advice and support', not stuck down there, but that's something that's neither here nor there. It doesn't make sense.

Ms GALE - Thank you for pointing that out.

Mr GAFFNEY - I'm right, yes. It should be 'administrative advice and support for those groups'. I'm thinking that doesn't make sense.

CHAIR - I thought we were never going to pick up these things when Rob Valentine moved to Committee B; there you go.

Mr GAFFNEY - No but it needs to be corrected. Through the COVID-19 process was there any deployment of staff? Your protocol officers wouldn't be as used as much or wouldn't be as needed as much over the last 18 months. Were they given other roles? How does that work?

Mr GUTWEIN - So whether there was any impact in terms of -?

Mr GAFFNEY - Yes, on the staffing levels of that line.

Ms GALE - Yes, there was an impact on DPAC broadly, as there was with every other agency. At the start of the COVID-19 outbreak, we needed to move a significant number of our staff to the State Control Centre. We did that at the outbreak and some of that movement continued which meant that we then had to backfill and have other staff undertaking actions and tasks that ordinarily would have been filled by those people. So there was some significant shifting of staff resources, more flexibly, to meet the needs throughout COVID.

In fact, you asked specifically about the protocol staff, we've had to put an enormous amount of effort into meeting the National Cabinet requirements and the protocol staff were actually assisting the Cabinet office throughout that period. Occasionally they continue to do so when the need is great.

PUBLIC

Mr GAFFNEY - Thank you. There's an increase of \$32 000, then an increase of \$141 000 and a decrease of \$490 000 in 2023-24 in the forward Estimates. There's a decrease of \$490 000. How is that managed or worked out?

Ms GALE - I don't have the specific information and I haven't picked that one up specifically myself but normally it would be because a project is finished. Actually, I do have that information. There was some additional funding that was provided to DPAC for agricultural shows and for the TasALERT system which is finishing so that comes out.

Mr GAFFNEY - Okay.

Ms GALE - In the previous year there were some rollovers which means that that was actually higher. We had two rollover amounts that went in there and so that accounts for the variation. In 2021-22 there were some rollovers that inflated that amount from what it would normally be, and then the decreases are as a result of additional funding finishing.

Mr GAFFNEY - In that line of the administrative support for those bodies, what is the number of FTEs? Are we talking about 15 or 5? I am interested to know.

Ms GALE - It would be less than 20.

Mr GAFFNEY - That's fine. I have no more questions, Chair.

Ms WEBB - I am not sure if this belongs in this line item. It relates to the *Tasmanian Government Gazette* so I'll try it here and we'll see, if that's okay.

CHAIR - That's the next one, 2.2 - Printing Gazettes and Legislation

Ms WEBB - It's about the administration of the *Gazette*, so maybe it's in this one?

CHAIR - Ask it and see how we go.

Ms WEBB - Premier, as you would be aware the *Tasmanian Government Gazette* contains the formal public notices that are issued which are required by law and government authority to be published. It's an important tool also for many people in the public and also within the public sector.

The Really Simple Syndication (RSS) option which used to be available on the *Tasmanian Government Gazette* home web page is no longer there. I have screenshots which show that the RSS option was available up until about September/October last year but apparently from November it's been removed.

Premier, can you confirm that it's DPAC's responsibility to ensure the provision of the *Gazette* and by doing so ensuring that legislative and statutory publication requirements are complied with?

CHAIR - You needed to subscribe to it; it has stopped.

Ms WEBB - Are you aware that for years there was a provision for the public to subscribe via a free RSS to receive an email notification advising of publication. That provision increased

its accessibility. It appears to have been shut down at a time when the *Gazette* has been of heightened importance in some ways due to COVID-19 notices, and the like.

When and why was the free public RSS email notification option removed? Why weren't current subscribers provided with prior notification and the awareness that it was going to be discontinued?

Can you perhaps undertake to restore the free RSS?

Mr GUTWEIN - I will undertake to understand why it changed. With everything I had going on last year, ensuring that there was access to the *Gazette* was not front and centre of my thinking. However, I will find out what's occurred. If it's possible to restore it, I will. I am not sure whether there have been any other legislative changes that might have...

Ms WEBB - Yes, it will be good for us all to understand that.

Mr GUTWEIN - I am happy to try to understand that.

Ms WEBB - And as a matter of practicality if it's possible to restore it?

Mr GUTWEIN - I am happy to commit to understanding it.

CHAIR - The question is: What happened to the RSS and will it be restored and can you hook us back up?

Mr GUTWEIN - I am happy to have a look at it.

2.2 Principal and Subordinate Legislation

Ms WEBB - I have one question and it relates to some discussion from the session yesterday, Premier.

My understanding is that during yesterday's hearings with the House of Assembly, you confirmed that the capacity for non-government MPs to access the Office of Parliamentary Counsel for drafting assistance is available, and is funded within this Budget to the extent of \$150 000 a year, I believe. I welcome that clarification from you, Premier, but I think there is still some confusion that I'd like to clear up regarding the process for accessing the resource that's allocated within the Budget.

Can you clarify the role or otherwise of the motion which had been listed on our Legislative Council Notice Paper prior to the proroguing of Parliament this year which apparently, because it hadn't been debated in this Chamber, somehow hadn't activated the process for access to that resource for non-government members?

If that was the case, does that now mean that we will be required to have a debate on a reintroduced motion so that OPC can then be accessed after that point by non-government members?

PUBLIC

Mr GUTWEIN - Something that I thought should have been quite simple has had a very convoluted process. As you'd be aware, the former speaker of the lower House, requested drafting support that would sit in the Parliamentary Library. I agreed to provide \$150 000 for that. Then, after discussion with OPC it became quite apparent that we would struggle to find somebody with the necessary skills. Then, more importantly, if there wasn't a close involvement with OPC - the most usual request are amendments to existing bills - we would have had to have somebody who was separate to OPC to try to understand a bill in the first instance and then draft amendments to it. So, after consultation with Robin, we decided that \$150 000 would be provided to OPC and then members could access that.

My understanding is that requests from the lower House would be made to the Speaker to seek to have either an amendment or a bill drafted and likewise in the upper House that it would be -

CHAIR - I might clarify, Premier, the \$150 000 is not needed in our House. We get our amendments drafted regardless, going through the Leader's office. The drafting of the VAD bill for the member for Mersey was done through that process by application to the Premier, to yourself, which has always been our process.

Ms WEBB - That does raise a question around access. We are a Legislative Chamber, in the upper House. We have a role where we are able to put legislation forward, as private members through the processes you've described, Premier, for accessing that resource that's there and the process that the Chair has just described. So, our access to drafting a private member's bill all involve a government-aligned gatekeeper, if you will, be it either the Speaker in the lower House, or the Leader of the Government in this Chamber. That may function relatively straightforwardly for amendment purposes, although I have hit some bumps, in having to access that.

CHAIR - Is that a question? Just get to the question.

Ms WEBB - I'm asking whether in recognition that the gatekeeping function could be a barrier to non-government members accessing the resource, or -

CHAIR - What's the question?

Ms WEBB - Can the Premier commit to working with the parliament to look at an operation or a mechanism to access that resource that doesn't involve a government-aligned gatekeeper?

Mr GUTWEIN - We need to manage the Government's legislative agenda. That is the principle focus of the government to ensure that we can move forward the Government's overall agenda, which is what we took to the election. I've always felt that the access here in the Upper House has worked as it should. I think that for the euthanasia bill, there was more than 150 hours' worth of -

Mr GAFFNEY - Over 200, I think, in the end.

Mr GUTWEIN - There needs to be a gatekeeper. That \$150 000 is principally to ensure that legislation can be amended in the first instance, should it be required. If there is to be a special-interest bill that is of importance to the entire parliament, that could be drafted as well.

PUBLIC

But if we had two bills of a similar size to the VAD bill competing for those resources, without a gatekeeper, the resources are gone.

Ms WEBB - What I'm asking for is a commitment to look at options for assessing access and assessing the allocation of that funding that doesn't require a government-aligned gatekeeper. I'm not suggesting that of course it's a free-for-all; it is a designated allowance, but in deciding how that allowance is accessed, or which part of it might be accessed for what purpose -

Mr GUTWEIN - Who do you have in mind?

Ms WEBB - Why does that have to go through -

Mr GUTWEIN - Who do you have in mind? Somebody has to make the call; people are going to be unhappy. As you say, it is government-aligned. The call would be made and ultimately, I'll wear the responsibility for that, but somebody will have to make a call.

Who do you have in mind?

Ms WEBB - I am suggesting you engage with the parliament, particularly the members of parliament who will be accessing this allowance and we explore options for how that allocation which has been made for our purposes to utilise, how it is allocated.

Mr GUTWEIN - Principally the request was made for the House of Assembly because there was always access for the upper House.

CHAIR - There has been a bit of confusion about this \$150 000. It was more the Opposition and minor party members downstairs to access OPC because we did have access. Through a process, yes. The \$150 000 was not really to help us as such, it was the lower House.

Ms WEBB - Now it is there, is it allocated for use across both Chambers?

Mr GUTWEIN - It provides an additional resource. It enables the lower House to have similar access to what the upper House has.

Coming back to the principle that the original speaker put forward: it was for the lower House to have access. That would always be first and foremost in my thinking. There may be members of the lower House, both independent or Opposition parties who might have a view that they do not want their resource taken up by upper House members who already have and have had access over time.

Ms WEBB - Perhaps another reason for an interaction to discuss the mechanism.

Coming back to my initial question as I think you didn't answer it, Premier. Given the intention to provide access to lower House members and the apparent unawareness they had about that resource or how they might access it because it has not been used - this was in the discussion you had yesterday at the House of Assembly hearing. Your reasoning was that we hadn't, in the upper House, debated that particular motion and therefore hadn't activated it. Therefore, the members in the other place had not been informed about their access that was available. Are we needing to debate a motion to activate this access?

Mr GUTWEIN - My understanding is that the arrangements being put in place in the lower House, requests will be made to the Speaker for access to that resource.

Ms WEBB - And non-government members are now aware of that through this process not through any other process?

Mr GUTWEIN - Again, it is the comedy of the two Houses. I understand that the Speaker communicated with members of the lower House about that.

CHAIR - To be clear the money has been made available to OPC.

Mr GUTWEIN - The money is in OPC which provides \$150 000 more resource.

CHAIR - This is earmarked away from your ministers?

Mr GUTWEIN - Yes. I am a little perplexed. I have always thought that the arrangements here had worked reasonably well. What we were hoping to do is to provide an additional level of service to lower House members who had never had that service. If the upper House members wanted to put forward a proposal to share that money that has been set aside and would, in effect, increase their access to OPC over and above what you currently have, then that is a matter that you could write to me on. I am not sure how lower House members would feel about what was initially resourced being put forward for them being utilised by upper House members.

Ms WEBB - We will have to contemplate this because this is new information that it is for lower House and not upper House.

Mr GAFFNEY - In 2015, when I had the Fire Service Amendment offences bill, which was only a 12-page bill, I had no issue in getting access to OPC

CHAIR - He is the favourite child.

Mr GAFFNEY - Because both the Government agreed that it was a decent bill and to pursue it.

Ms WEBB - This is the key thing; the Government agreed that it was a decent bill. I have been denied access to OPC for an amendment bill. The verbal advice I received was because the Government would not support it in the lower House, there was no point in my having that bill drafted. That is unfortunate. It is great that it works well when the Government agrees with the bill, but this is the gatekeeping function I was talking about.

CHAIR - Is there a question? We need to move on. We are getting bogged down here.

Mr GUTWEIN - In raising this matter, as you have, what you would have requested is support for an amendment bill which, broadly, would have prohibited elections being held on the same day. The point that I made was that it would not have the support of my Government in the lower House and therefore had no possibility of passage into law and therefore it would be a waste of resources.

PUBLIC

Ms WEBB - To clarify on a matter of the function of our parliament, our Chamber in the upper House is the Legislative Chamber. We, as one of our functions, can bring legislation. We have the free ability and right to bring legislation. It is not dependent on whether the Government in the other place is intending to vote for it or not. You are constraining our parliamentary role and right to be a legislative chamber.

Mr GUTWEIN - Knock yourself out. You can introduce a bill if you wish, but in terms of providing taxpayer support for a bill that has no possibility of passage and in terms of the Government's legislative agenda, I took the view that would be not a sensible use -

Ms WEBB - Will that apply to the \$150 000 the lower House members may want to access to bring a private member's bill in the other place, in your place?

Mr GUTWEIN - That is a matter for the lower House.

Ms WEBB - Will they only have access to that if it is a bill you intend to vote for?

Mr GUTWEIN - That is a matter for the lower House.

Ms WEBB - You have articulated a principle, though that will apply potentially to the upper House but maybe not to the lower House?

Mr GUTWEIN - The position I took based on that particular issue and your very strong interest in the election recently held was when support was requested for an amendment bill that the Government had determined it would not support, I made the decision we would not extend support. That does not mean you cannot, if you wish as a matter of your own right, in this legislative chamber bring a bill in. The point I made is I could not see the reason in wasting taxpayers' money.

Ms WEBB - You just articulated very clearly a principle private member's bills should not be funded by taxpayers' money if they are ones the Government does not intend to support and agree with. You articulated that just now at this table. Does that apply to private member's bills, taxpayer funds in the lower House and in the upper House?

Mr GUTWEIN - The Speaker of the lower House will make determinations in terms of that resource. That is the position that has been put in place.

Ms WEBB - And may or may not apply the principle you have just articulated?

Mr GUTWEIN - Again, that is a matter for the Speaker.

Ms WEBB - Is it? That will be interesting, won't it?

Mr GUTWEIN - It is a matter for the Speaker.

Mr GAFFNEY - Chair, I have to correct something I said.

CHAIR - Do you?

PUBLIC

Mr GAFFNEY - Yes, because going back, it was my staff members that actually did most of the work with the bill in 2015 and then at final we had it checked by OPC so all the legwork was done by staff, not by OPC. I had to put that on the table because otherwise, I gave the impression it was all OPC. It wasn't.

CHAIR - But OPC did check it off at the end. There was some involvement.

Mr GAFFNEY - At the end, but all the legwork was done by staff.

Mr GUTWEIN - Are we having the Governor or not? I am very well-hydrated and I am wondering if I could have a break.

CHAIR - Okay. Is the Governor's representative here? We can take a break now regardless.

The Committee suspended from 10.48 a.m.

The Committee recommenced at 11.05 a.m.

THE OFFICE OF THE GOVERNOR

Output group 1

Office of the Governor

1.1 Support for the Governor

CHAIR - We are going to jump now to Office of the Governor 1.1, Support for the Governor. Jenny would you like to introduce David.

Ms GALE - May I introduce you to Mr David Owen, Official Secretary, Government House; and his colleague, Danielle Hunt, Senior Finance Officer.

CHAIR - Thanks for coming in. We will move straight to Mike for questions on this area.

Mr GAFFNEY - I am interested in the upgrade and integration of the Security Systems initiative, the cost of that and how that is going. How you are seeing that progressing and where it is up to? That would be good feedback.

Mr OWEN - That is going well. As you will see, the office has been allocated in addition to its operating budget, a sum of \$300 000 for important security upgrades. The decision was made based on initially having a look at Government Houses interstate as to the state of their security operations. It was felt after due deliberation it was time we underwent certain upgrades, including with our monitoring systems and also perimeter systems, but essentially it is associated with electronic monitoring. It is a reasonably substantial upgrade because as you would imagine knowing Government House, the ability to access the property is not difficult. Therefore, electronic monitoring becomes all the more crucial and why essentially those funds have been allocated. My colleague, the Deputy Official Secretary, who is very-well versed in all matters to do with security, not least due to his Australian Defence Force links as a colonel, has been able to put in a place some very substantial improvements. They are not completed of course, but they will be completed in the requisite time.

Mr GAFFNEY - Do you think the amount of money set aside for it will be enough to do the work that needs to be undertaken?

Mr OWEN - Certainly, for what we have wanted to put in place primarily with the electronic upgrades of our monitoring cameras. Possibly the best overall answer is security operations at Government House are ongoing. For instance, it was not many years ago we had an uncontrolled rear entrance. We received approximately \$85 000, two financial years ago to have an electronic gate put in place. In due course, it may well be financial measures related to security increases will be ongoing. With security guards, we have a fleet of casual security guards and we have been operating for some time to move them to a position of being contract security guards on a model very similar to the parliamentary model. We are not there yet. We think it is important.

Mr GAFFNEY - My next question is about the act that looks at the Governor of Tasmania Act 1982. It has been some time since that has been amended. Do you see that needs to be revisited? Is that part of your role or is part of the Government's role to revisit the act?

Mr OWEN - It would probably be something that would come from the Office of the Governor in the first instance. If we noticed there might be something in the Governor of Tasmania Act not quite covering the business of the office, as you would know from the Governor of Tasmania Act, it is primarily concerned with matters relating to the Governor in terms of salary and superannuation and so on.

There are a few other elements in the Governor of Tasmania Act. One that is a very important one, in my opinion, is the Office of the Governor is separated from the State Service Act so we are truly independent but perhaps, a more direct answer to your question is in the Governor of Tasmania Act 1982, employees are defined as either being permanent or temporary.

In recent years, I've undertaken fairly substantial negotiations with unions in Tasmania to redo our award to bring it up to speed. It was really quite poor. One of the effects of that was to move Government House employees from being primarily permanent to contract-based employment. If a Governor wishes to change the employee - the nature of who is employed there - that is the Governor's prerogative, but if the employees are all permanent, that becomes rather difficult.

Therefore, employees are now employed in a three or four-year contract situation, most of them, but written into the award is a clause that, all things being equal, those contracts will be renewed indefinitely. It's an important way of protecting the employee but it also gives that slight bit of flexibility if there needs to be some change. With the change to our award, because the Governor of Tasmania Act 1982 stipulates that employees may be temporary, we've had to use that term for contract employees. It is a bit contradictory but we've made it work.

Mr GAFFNEY - In light of that information, do you see that there will be any suggested timeline where you may revisit the act? You said it was the Governor's role to do that, through OPC; how does that work?

Mr OWEN - Yes. We would go to the OPC if we thought there was some need to amend the legislation. I haven't had any reason to believe that the legislation might be due to be

PUBLIC

revisited but, certainly, it's something that, now that you've mentioned it, I would be quite happy to look at.

Mr GAFFNEY - I think that would be good because I think it was some 15, 16 years ago or even further beyond.

Mr OWEN - It was.

Mr GAFFNEY - It was 2003. I think there is cause to look at it so it is more contemporary to the issues that are occurring today.

Mr OWEN - Certainly.

Mr GAFFNEY - I think that would be wise to take on board.

Mr OWEN - Certainly we will do that, Mr Gaffney, yes.

Mr GAFFNEY - Okay. Thank you very much. That's all the questions I have, Madam Chair.

CHAIR - Thank you very much for coming in.

MR OWEN - Thank you so much for the invitation.

CHAIR - I will just invite the Premier to come back.

Mr GUTWEIN - My apologies, Chair.

2.3 Tasmanian Government Courier

Mr GAFFNEY - I couldn't find an area to do this. I just think it's fair and reasonable and we should just move on unless I should ask -

CHAIR - Unless they want to deliver mail to my office, which they still don't.

Mr GAFFNEY - Unless there's a question I should be asking you, Treasurer, I will just move on. There is nothing in this.

CHAIR - Obviously the mail goes to your office; it doesn't get to mine.

Mr GAFFNEY - Yes. That's fine.

2.4 Corporate Support to Ministerial and Parliamentary Offices and the Office of the Governor

Dr SEIDEL - If I can direct you to Budget Paper No. 2, volume 1, page 259, table 9.4. In the performance information there is a reference to 'draft responses to routine Ministerial correspondence actioned within 10 days of receipt'. Ms Gale had made some comment on that in an earlier item number. Does this also apply to requests from constituents and other stakeholders or is this just internally?

Ms GALE - Through you Premier, yes it does. It applies more broadly to ministerial correspondence.

Dr SEIDEL - So that includes constituents and other stakeholders?

Ms GALE - Yes, letters and so on.

Dr SEIDEL - The second question then is about the Principal and Subordinate Legislation. It says, based on performance output, that key clients are satisfied. Who are these key clients?

Ms GALE - Through you Premier, these would be the agencies and potentially the ministers who have responsibility for legislation.

Dr SEIDEL - You say 'potentially' so you make a call then?

Ms GALE - I can't specifically say the ministers but it would be through the agencies, yes.

Dr SEIDEL - That's all the questions I had.

CHAIR - Any other questions from any other members? If not, we'll move to 3.2

Output group 3

3.2 Management and ongoing development with Service Tasmania

CHAIR - Back to you Nick, for a really unique -

Mr DUIGAN - Thank you Chair, yes, I have a range of questions here under Service Tasmania. Potentially, I might be able to bundle them up into one.

Premier, perhaps you could explain for the committee the type of things that Service Tasmania does and what type of government services it provides? I know that it changes over time. Can you provide further detail on the development of a digital Service Tasmania portal?

CHAIR - Particularly what that's going to be like. That could be really helpful. Let's talk about the new system.

Mr DUIGAN - The new system, yes, and how that service has improved.

Mr GUTWEIN - I'll ask Jenny or one of our key people here to talk about how the platform itself will work. All of us have been to Service Tasmania I am certain, or seen a Service Tasmania office. Coming towards the end of the financial year, there might be registrations, or tax to be paid or conversely, most Fridays the one in Launceston where there are lines of people as they attempt to access government for the purposes of making payment, or renewals in many cases.

We have to get to a point where it can be done on that. That is as simple as it gets and importantly -

CHAIR - 'That' being the phone, for the purposes of *Hansard*.

Mr GUTWEIN - That being a smartphone, or a phone for the purposes of *Hansard*, thank you Chair. The review that Dr Watt conducted very clearly indicates that's an opportunity for government. As Premier, I must admit it's of real concern that we haven't taken a significant step forward in a state that has dislocated communities as we do, to enable broader platforms to be used more regularly and easily. Ms Gale, do you want to explain anything further?

Ms GALE - Thank you, through you Premier, I'd like to introduce Ms Noelene Kelly, who heads Service Tasmania and does an admirable job. Noelene, would you like to speak about the future?

Ms KELLY - Through you Premier, we are very excited to receive money from the Government to upgrade Service Tasmania online. At the moment it's very much a portal providing information to other government agency links. The new portal will enable us to provide a deeper level of service to our customers, reflecting what we provide in our service sectors and through the government contact centre as well.

Over the next 12 months, we'll be working towards creating a digital foundation, or platform, for customers to have a better experience through the digital transactions and working with government agencies. The important thing to remember with Service Tasmania is that we deliver services on behalf of other government agencies, but into the future we'll be looking at delivering a foundation of tools through the web portal. There will be things like accounts, so you can log-on and see when your registration is due, when your licence is due and so on.

Ultimately, we will be looking at digital identities and you can actually prove your identity online so for that deeper level of transaction that requires identity proof we will be able to do that. The website will also feature life events, a term used to describe delivering services in a holistic way regardless of what government agency they belong to. This is something that a lot of other jurisdictions across Australia are working on.

A typical life event might be the birth of a child or the death of a loved one or the coming to Tasmania, those sorts of things. A range of services is provided for customers so they do not have to know the way the government is structured to be able to navigate their way to find that service.

We are already starting to work on the life events component. There are a whole lot of other things that underpin that in terms of systems talking to each other and online forms which will also go into the digital portal.

Mr GUTWEIN - I think the Budget has \$4.3 million allocated. I would expect that we will see additional investment required as we move forward. I looked at a number of other states, and I think New south Wales as these life events almost down pat. I think it is brilliant in how you can access their systems and services. I would like to see Service Tasmania evolve to that and that is notwithstanding the fact they do a fantastic job at the moment.

CHAIR - There is no threat to the actual shopfront. They will still continue. This will be an additional service.

Mr GUTWEIN - Absolutely.

Ms GALE - This will enable our shopfronts to provide even better personalised service to the people who come in who over time would largely be those may be who do not have access to a digital device, although we hope most people do. Noelene can speak to that switch more articulately than I can. Often, there are complex issues that people need to work through and so it will be important that Noelene and our staff have the opportunity to do that and moving to this more digital platform will enable those shopfronts to undertake that.

Ms KELLY - We have seen the demographic of our customers change quite a bit over the last few years and there needs change as well. We are very conscious that as agencies move more and more transactions online that we provide the support that they need to help them or the department, organisations such as Libraries Tasmania and Services Australia and someone to help customers through that.

Service Tasmania is a member of 26TEN, the adult literacy program. The aim is to free-up our customers to be able to go online to do those basic transactions to enable our staff to be able to provide the service for those more complex ones. All those transactions that require a lot of time or those that are quite complex particularly things like the death of a loved one, which can be quite complex.

CHAIR - In terms of the death of a loved one or the birth of a child or someone who was pregnant, they could go into that life event and see where their local hospital was and how to access quit smoking programs and things like that?

Mr GUTWEIN - I was staggered by the way that the New South Wales site worked. Once you enter it you can work your way through it; it quite extraordinary how it simplifies the community's access to government services. That is probably the best way I can put it. As a starting point, I would like to see it get to a point where with digital ID we can do the simple things, pay our bills et cetera. Engaging with government in terms of life events, which is really what most people do, is just a simple way of categorising reasons why people would access government but then being able to walk them through the journey in a sensible, helpful way. There are some fantastic opportunities to better serve Tasmanians through the platform.

Ms GALE - Previously we have taken, I won't use the term a siloed approach but it has been reasonably siloed. We have been talking about transactions that Service Tas has been able to bring into the one spot and then work with our citizens. This will be about taking a citizen-centric approach so we are thinking about what services the clients or customers, Tasmanians need as opposed to what agencies are delivering. It actually flips the thinking to take the kind of approach the Premier has been speaking about in New South Wales.

Output Group 4

State Service Management

4.1 State Service Employment and Management

Ms LOVELL - Premier, I would like to revisit a matter that was discussed in yesterday's hearing and has generated quite a bit of public interest now and there are some media reports about this. That was in relation to a complaint that was lodged by a staff member at Ashley Youth Detention Centre in relation to sexual harassment. For clarity, can you update

the committee on the time line of that complaint, the investigation, and the status of that investigation now? Where is that at and what has happened throughout this process?

Mr GUTWEIN - Firstly, in relation to what occurred yesterday with the leadership here in the Chamber, I apologise for what was a misstep. I know that the secretary has reached out as well and provided that apology. It's not my intention today to discuss in any detail at all the process or the current circumstance of that investigation. I think yesterday was a demonstration as to why a parliamentary committee shouldn't do that.

I've spoken to the complainant this morning. I will be meeting with her tomorrow. An independent review will be conducted at arm's length from government of the process that occurred here. I would expect that to be completed within a period of 30 days. This has been around for a long period of time and I would like to get a full understanding of where that matter is at so that will take place. As I say, I have informed the complainant of that this morning.

Ms LOVELL - Thank you. I welcome those comments and I appreciate that. I'm happy to move on in that instance. However, I would like to ask you some questions about these investigations in general terms so we aren't specifically referring to any particular investigation. Typically, in these instances a complaint is lodged with a manager usually. What is the process from that point in terms of how complaints of this nature are then investigated?

Mr GUTWEIN - As those matters are at arm's length from me, I will ask the secretary to outline that process and how it would normally be conducted.

Mr GALE - In relation to the processes, agencies have their own grievance processes so it would be a matter of the nature of a complaint that had been made whether it would be dealt with through a grievance process or whether, in fact, it was deemed to be something more serious than that. In that case, at the moment agencies use the employment direction number 5 which is about conducting investigations into misconduct.

In the event where a head of agency has been provided with information that indicates to them that there may have been a breach of the code of conduct, then the employment direction number 5 indicates that the head of agency must conduct an investigation.

Ms LOVELL - Can you elaborate on the trigger to constitute an ED5 investigation?

Ms GALE - Normally some kind of preliminary assessment would be made and then the head of agency themselves would make a determination based on the State Service code of conduct, the items that are in the State Service code of conduct, whether or not they believe that there may have been a breach. If the head of agency makes that determination that there may have been a breach, then they would instigate an ED5 investigation.

Ms LOVELL - Thank you. Is there a panel of people the department engages to conduct ED5 investigations or is it external work? Are external people engaged or how does that take place?

Ms GALE - That would depend on the nature of the misconduct. There is a wide range of potential misconduct in relation to the State Service code of conduct. For serious misconduct, in most cases an independent investigator would be employed to undertake that

investigation and to provide information back to a head of agency in relation to the events. At the end of the day, the head of agency has to make the determination with all of the information that's provided to them.

Ms LOVELL - Thank you. Understanding that these are often quite complex matters, is there a time frame that is worked towards, or generally accepted as a reasonable time frame for these types of investigations?

Ms GALE - No, there's not a specific time frame but heads of agency understand that these types of investigations cause angst for the person who is under investigation, and for the complainant. Steps are taken to expedite these investigations as much as possible. Obviously, they depend on availability of witnesses and a range of other things in terms of the time frame.

Ms LOVELL - Premier, I wanted to draw your attention to the whole-of-service survey.

CHAIR - Can I ask a question before you move onto that area? Those investigations that are carried out, are they funded? It might be done internally or some of them independently, or not?

Ms GALE - Some are commissioned independently by the agency.

CHAIR - So where are they funded? Is it out of the overall appropriation for this line item?

Ms GALE - Each agency would fund it out of their appropriation.

CHAIR - From their core funding?

Ms GALE - Yes.

Mr GUTWEIN - If necessary, an agency can put in a request for additional funding should they need to for any matter, whether it be an ED5 investigation or other matters.

CHAIR - Back to you, Sarah.

Ms LOVELL - Premier, last year's whole-of-service survey, conducted across the State Service found that less than half of participants felt confident that they would be protected from reprisal for reporting improper conduct. This result is nearly unchanged from the previous survey results. This survey also found that of those who reported experiencing bullying, but had not formally reported that, 58 per cent of those did not report it because they didn't think any action would be taken. This is an increase from 53 per cent in the previous survey.

Of the people who reported experiencing sexual harassment in the previous 12 months, and who did not report the harassment, of those 53 per cent - which is up from 49 per cent - said they didn't do it as they felt, 'I did not think any action would be taken'. And 43 per cent, again up from 39 per cent, said, 'I didn't think it was worth the hassle of going through the report process.'

Does this suggest to you, or do you accept that these results of the survey of staff suggest that there are some pretty widespread concerns and that perhaps this is a broader cultural problem within the State Service?

Mr GUTWEIN - I'll ask Jenny to make some comments as the head of the State Service. The responses are concerning. That is the only way that that can be described. We are taking a step here within the parliament as a starting point with review of the Tasmanian Ministerial and Parliamentary Services (MPS) and ministerial offices. We'll conduct that review under the auspices of Sarah Bolt. I'll give a nod to Meg Webb for bringing that review to the fore.

As a result of that, we can consider whether or not we take further steps in terms of other parts or the whole of the State Service.

Ms LOVELL - That was going to be my next question. There is an inquiry being conducted at the moment into the parliament as a workplace. Previously, myself and others have called on you to extend that inquiry across the State Service. Will you commit to extending that to encompass the entire State Service?

Mr GUTWEIN - I just provided my answer to that. We'll allow this first review to take its course, bearing in mind that it is both the parliament, ministerial and parliamentary support staff as well. So, I would think it will cover hundreds of employees, in fact it will be several hundred employees across the service. Then we'll make a decision as to whether or not that should be taken forward across either parts of the service, or the whole service.

Ms LOVELL - There are some pretty big parts of the service that are not covered by that review.

Mr GUTWEIN - I accept that and as I've said, we'll take that step first and foremost and understand the outcome of that and then make a decision on that broader review.

Ms LOVELL - Premier, is there any tracking of the number of complaints involving bullying, sexual harassment, any form of misconduct in the workplace? Is there any central tracking of how many anonymous complaints are submitted across the State Service or how many complaints where the complainant doesn't wish to pursue it any further?

Ms GALE - No, we do not have a central record of that. The State Service Review has indicated that, and this is yet to be discussed with the unions of course, we need to do some work on processes, particularly the ED5 processes. Obviously, those other processes feed into ED5 so I imagine and hope we will be able to have those conversations with unions and come to an agreement about how we might better collect that information and make sure we have processes in place in our agencies where staff are confident to report such incidences. We want to and have to provide a safe workplace for all of our employees. Clearly, we wish to do that. At the moment it is done agency by agency, but I am very happy to have that conversation and to get some different data. The only way currently we collect that is through the survey you have referred to.

Ms LOVELL - In relation to the Watt report on the Review of the State Service released yesterday, Premier, I understand you have indicated there will be some consultation with unions and others to inform your response and I welcome that. Do you have a timeline for that consultation and for the response from Government you are expecting to work towards?

Mr GUTWEIN - I committed to Tom Lynch during this process that we would not respond immediately and provide the Government's response that would engage.

I hope that we would be able to have that consultation over a couple of weeks, certainly under a month.

A broad interpretation of the Watt Review is there are a lot of things we could do to bring the service into the twenty first century. Jenny has just touched on matters of data collection and the siloed approach of agencies. To understand what is occurring across the broader public sector we need to have at our fingertips the necessary data to understand what is occurring. Yet, we have a 1980s construct in terms of the way our agencies are established. I hope the unions will see the very positive direction the review has taken and I look forward to engaging with them.

Ms LOVELL - Will there be any funding to support this consultation or will that be done under existing resources?

Mr GUTWEIN - I would hope the consultation could be done under existing resources.

I want to be clear on this. I am not seeking a review of the Watt Review; what I am seeking is a conversation and a two-way discussion with the unions in terms of their views with respect to the recommendations been made.

Ms LOVELL - I do not think anyone is expecting a review of the review.

Can you remind the committee when you received the interim report and the final report of the review?

Mr GUTWEIN - It would not surprise you we have for the last six weeks been looking for an opportunity to release the report, but Victoria kept locking itself up and Dr Watt was not able to come down. I had hoped he would have been able to present the report and I decided it might take some time before we could have him out of Victoria. I do not believe he would meet the requirements for an exemption, so I released it and have moved it forward.

The final report was delivered in early July. I do not have the exact date. The interim report was provided in November.

Ms LOVELL - The final report was early July, so the reason for the delay of releasing was to do with Dr Watt?

Mr GUTWEIN - On two occasions we had set times where I would have liked Dr Watt to have been able to speak to the report as we released it publicly. We put in place a timeframe; that changed because circumstances changed in Victoria. We then put in place another time a fortnight later and that changed again. I made the decision a couple of weeks ago I would release it at the appropriate time and I did so yesterday.

Ms LOVELL - I am surprised there has been a delay of that length, just for the purposes of having him here to speak to it, given technology and the way parliament and the

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Commonwealth are being conducted online and businesses are adapting all over the country but, anyway, it is released now.

Mr GUTWEIN - I had hoped he would be here personally to be able to speak to it but that was not the case, so the report is out now.

Ms LOVELL - Okay. Premier, earlier you referred to yourself as the employer in relation to the public service and being the person ultimately responsible. In relation to questions of instances of where there is workers compensation and determinations around PCBU - person conducting business or undertaking - given your reference earlier to yourself as the employer of the public service, do you agree that it would fall to you and you would be the person determined to be the PCBU in those instances?

Ms GALE - The PCBU is the head of the State Service and each head of agency also is a PCBU for the purposes of the act.

Ms LOVELL - Okay. Thank you, Chair. Is anyone asking questions?

CHAIR - Premier, I do note there has been some work done on the performance information. In fact, the footnote on number one says this is being reframed to capture the quality of the service as opposed to just cutting numbers - that is page 262 in the performance information for this output group. I take it that work is ongoing and has not been finalised as to how you are going to measure the quality of the service?

Ms GALE - The measure there currently is a transaction measure and it is largely to do with the amount of traffic that agencies put through. We did not believe that was a reasonable measure of the performance. Jane and her team are working on developing something that indicates more quality. I am not sure, Jane, if you have an update on that and work is ongoing for the key performance indicators for State Service Management Office?

Ms HANNA - Yes, that is right.

Ms GALE - It is not completed.

CHAIR - Okay. I notice there is an increase in the appropriation over the forward Estimates starting this year and relates to funding for the Tasmanian State Service Aboriginal and Youth Employment strategy next year. Can you give us a bit more information about the rollout and what outcomes you expect to achieve?

Ms GALE - Jane Hanna is the Director State Service Management Office. Jane, if you would like to come to the table. The Aboriginal Employment Strategy is a really important program. Obviously, we are trying to increase the percentage of Aboriginal people who are employed in the Tasmanian State Service.

CHAIR - There are two. There is the Tasmanian State Service Aboriginal and Youth Employment Strategy. Are they two different things or are they the one thing?

Ms GALE - No, they are actually different things, but they often cross over. Jane, if you would like to talk about the Aboriginal Employment Strategy.

Ms HANNA - The Tasmanian State Service Aboriginal Employment Strategy was launched in 2019 and goes through to 2022. It demonstrates the Government commitment to building a capable, versatile Aboriginal workforce to increase the number of Aboriginal people we have in the State Service and to value the inherent qualities, knowledge and experiences Aboriginal people bring to the service.

The strategy has a number of initiatives and we are progressing a number of these employment initiatives through the strategy throughout the State Service. What we have included within those initiatives is recruiting Aboriginal graduates through our Tasmanian State Service Graduate Development program. That is where you might see we have a youth strategy we have talked about earlier around and that is overall for graduates, cadets and traineeships with different pathways into State Service employment.

Then, in some, there will be intersection between how that strategy works and the Aboriginal strategy where we are also targeting Aboriginal graduates and trainees and cadets. That is where there are two strategies and where they would intersect.

Ms GALE - One of the key planks of this has been not just about the number of Aboriginal people we have working for us, but the quality of their experience as employees.

One of the great things that Jane and her team have done through Tanya Harper and now Louise Adams who works in Jane's area is to deliver the State Service Aboriginal Cultural Respect foundation training. That has had enormous success in terms of the numbers of state servants who have been involved and in respect to the quality of that offering. It has been really successful.

CHAIR - Is it across all areas like Health, Education and Justice?

Ms HANNA - Yes, everyone has participated. We have had a focus on trying to encourage senior executive officers through but then it has been such a successful initiative that we have got a whole lot of other staff. We have had 325 employees across a range of positions and we had 14 sessions. We are continuing to roll out the sessions with the support of the allocation we have. It is certainly a case where a successful program is garnering more interest and more enrolments so we have to put more of the courses on, which is a good for that first cultural awareness module.

CHAIR - This may be a question for Health. I am happy to table it, if that is the case. Across all areas, in terms of Health, are we actively recruiting Aboriginal health workers? I think they will have an important role to play in our vaccination rates in areas where we have a relatively high Aboriginal community.

Mr GUTWEIN - It is a very good question. I don't know the answer to that.

Ms GALE - Neither do I so we would need to ask that question of Health.

CHAIR - You are targeting all areas though to attract Aboriginal people?

Ms GALE - Yes, that is right.

Mr GUTWEIN - Whilst programs are measured by more than numbers, we had 210 people in the TSS employee survey and 3.2 per cent of people who responded positively to be either Aboriginal or Torres Strait Islander. Within the service itself there has been a steady increase in positions that can only be filled by Aboriginal or Torres Strait Islanders. Three years ago, it was 78, then 88; now it's 99. There are now 112 positions that can only be filled by Aboriginal or Torres Strait Islander people. The program has been successful across the service in terms of that growth.

Your question on whether or not we have Aboriginal or Torres Strait Islanders employed in key positions is an important one, especially as we move forward. I hadn't thought of that.

CHAIR - Take it to the people in a culturally sensitive way. It is the only way we are going to get there. All cultures, it is not just Aboriginal.

Mr GUTWEIN - I do not disagree. I think there is key thinking there.

CHAIR - In Comprehensive Income on page 266, when we look at Employee benefits, footnote 4 states:

The increase in Employee benefits in 2021-22 reflects additional expenses for election commitments and other initiatives that require additional staffing...

I am wondering which initiatives are in DPAC? We know that the election broadly covered a whole range of areas but I am interested in what specifically relates to the increased funding in the DPAC in terms of employees.

Mr GUTWEIN - There is a list at the front of the chapter: support for the Business Resource Efficiency Program, carbon farming, ChangeSmart grants, literacy advisory panel and Service Tasmania digital portal work as well. Obviously, there are some other broader initiatives.

CHAIR - I wouldn't have thought some of these would not have been staffed through DPAC. Isn't carbon farming for the Minister for Primary Industries?

Mr GUTWEIN - Climate Change.

CHAIR - Sure.

Mr GUTWEIN - That will change because of the establishment of Renewables, Climate and Future Industries over the coming few months, I would imagine.

CHAIR - It is still yours as treasurer?

Mr GUTWEIN - Yes.

Ms GALE - Initiatives such as the Child and Youth Wellbeing Strategy, for example, will have a staffing component.

CHAIR - In DPAC?

Ms GALE - Yes, but we will work across government so it is a whole-of-government initiative but it is based in DPAC. For Budget purposes it comes through DPAC's books.

CHAIR - To me, this means there are going to be additional people employed to undertake these roles. Do you have any indication how many extra staff we are talking about?

Ms GALE - Not in total. I can't provide you with that today but from memory for the Child and Youth Wellbeing Strategy there are about five additional staff.

CHAIR - In DPAC?

Ms GALE - Yes, they will be in DPAC but they will work across DPAC and Communities Tasmania mostly, so we will share the work but it will be positioned within DPAC. Then there may be other staffing initiatives as well. We will need to transfer funding, depending on those initiatives - we have a list of them. If there are any particular staffing components of those then that funding will be transferred across if other agencies require it.

Output group 5 Security and Emergency Management

CHAIR - Premier, this output coordinates the whole-of-government policy initiatives that enable the Tasmanian Government to achieve its priorities and secure emergency management. They haven't been tested in the last couple of years.

What policy initiatives have you put in place to manage fatigue and stress as an overarching policy - not just looking at yourself but overall? It's been an enormous body of work that's had to be done here. We are not unique in the world in any way but obviously we need to have very specific and targeted measures.

Mr GUTWEIN - Jenny can speak more fully to that but certainly in terms of the senior people who have been involved, I have been singularly impressed by the way that our public health officials, especially the Director and the two Deputy Directors, have managed.

CHAIR - They have all had their moments.

Mr GUTWEIN - They have all had their moments but they have been very disciplined in the way that they have managed their weeks and their time either on or off. I have noticed, likewise, the way that Darren Hine has managed the State Control Centre as well, along with the Deputy State Controller. They have been particularly focused, far more so than I have personally, I can assure you, in terms of my own circumstance.

Ms GALE - The main way in which we deal with this is through the interoperability arrangements. We have a register of people who are interested in interoperability. We can cycle people in and out using those arrangements. In terms of a surge, for example, the Office of Security and Emergency Management puts a call out for interoperability staff in particular areas across the Government. They are then utilised in the areas of concern. If there were a need to rotate people in and out, we would use the interoperability staff as well.

Within DPAC, managers and the executives have a weekly meeting where we talk about our work, health and safety, particularly in relation to COVID-19. Managers are required to

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try to manage fatigue within their teams and make sure that people are taking leave at appropriate times and/or for other people to step in and undertake those duties. We had previously indicated through our ministers that there were certain business-as-usual activities that we could not keep doing as a result of COVID-19 and had agreements about which of those would cease. So, there's a range of mechanisms that we use.

CHAIR - This probably goes back to the previous item, but has the leave liability increased overall in the last little while?

Ms GALE - Anecdotally, Ms Forrest, without looking at that information, I can recall from looking at the briefs that our leave liability has increased slightly. We will need to be working that back down again.

CHAIR - Do you have the last three or four years of data on your leave liability across the State Service?

Ms GALE - Yes, I would be able to get that, although it might take some time.

CHAIR - I will put it on notice. If you can't provide it, you can write back.

The leave liability for the last four years across the State Service?

Mr GUTWEIN - I am sure we can get that.

CHAIR - I also note the Office of Security and Emergency Management manages projects and provides policy advice to Government regarding prevention, preparedness, response and recovery. Is there a role played here in determining when we have positive Delta strains of COVID-19 cases in the state? What work has been done to ensure parliament can continue to sit?

Mr GUTWEIN - We have given some consideration to that. There was a debate in the lower House in this regard and a number of questions were asked. I spoke with the clerks, Cabinet and others whether or not we should put in place the opportunity for an electronic or virtual parliament.

It is interesting if you look at the way the national parliament has operated where they have the opportunity for members to be remote and still engage. Outside of a lockdown that works well and we have managed our Chambers in that time with lower numbers in the lower House and you have also put in arrangements up here.

CHAIR - We sat in various places around the Chamber and cordoned the whole floor.

Mr GUTWEIN - The advice was to establish a completely remote parliament in terms of all of the standing orders, the requirements of the House and matters like quorums would have been an extraordinary amount of work. I spoke with parliamentary counsel and asked them to consider drafting a bill to enable us to do it and they came back and said: 'Once you step into this it is nigh impossible. How does a quorum work? How do you deal with strangers on the floor if a child walks through the back of a Zoom meeting?' There was a whole range of things I would have never considered.

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In terms of the parliament meeting remotely, my intention would be we would manage it as we did last year. If we needed to put it into recess for a period of time, we would. This was why we introduced that additional Supply Bill - should the parliament be closed before we completed the budget session, we would have supply until the end of January and hopefully, we could call the parliament before the end if necessary. That was the thinking.

CHAIR - You only have to look slightly to the north and Victoria's short, sharp lockdown, mark 523. It is not short and sharp, and there is no light at the end of the tunnel for the premier there in terms of opening up. Do we need to find some mechanism to enable us to still function as a parliament?

I support legislation committees, so I would be involved in any scrutiny of notices and things like that, but I am only one of six across the whole parliament. Other members may feel disenfranchised by not being part of that. It includes members of both parties, but we do not have a Green or Independent from downstairs so there is an argument not everyone is represented on that committee. Do we need to look at some other way - in case there is a more extended period - of providing a more comprehensive response to scrutiny during such a period?

Mr GUTWEIN - Obviously, we have the Subordinate Legislation Committee for scrutiny. The Public Accounts Committee can continue to meet. It is not outside of the bounds of the two Chambers if they felt they needed to organise a separate committee for that purpose, should we find we were in a worsening position of COVID-19.

I hope and it is more than hope actually, based on the risk as we understand it, and the advice I am receiving both through National Cabinet and through our own public health people is that as we increase the level of vaccination, theoretically the risk is reduced. As I say, I am filled with hope, but I think it is more than that. Based on the risk analysis, one would hope we are moving into a better position as a country with less requirement to potentially have to close the parliament.

On that basis, after I received the advice from OPC on the challenges in establishing a remote parliament, we decided that the sensible thing to do was to ensure that we had a money bill ready to go, should the parliament be closed and then allow for the existing committees to conduct that scrutiny as they saw fit.

CHAIR - Should parliament keep sitting in a form where people actually come into the building? Would it be your expectation that everyone who enters this building would be vaccinated, unless they had a medical exemption, or were a child?

Mr GUTWEIN - Coming back to that principle, and I'm not sure if I explained that - I think I did this morning. The principle, in terms of a vaccine passport, has to be considered once everybody has had the opportunity, but -

CHAIR - I think it is fair to say that everyone who comes in predominantly for this parliament would be eligible.

Mr GUTWEIN - I haven't turned my mind to the parliament, but I'm expecting to have to turn our mind to the broader public sector and other frontline workers over time. We've made the announcement in terms of Health. Whether that includes the parliament or not,

interestingly enough the parliament is one of the few workplaces that could actually of its own motion, either accept or not -

CHAIR - Lead by example perhaps. Just one other thing, in your spare time, I wonder whether you have read the Parliamentary Accounts Committee (PAC) report into COVID-19? We will debate that at a later time. There was a recommendation to review the State Emergency Act. Are you of a mind to have a look at it to make sure that it is fit-for-purpose, contemporary, particularly it's been fairly well-tested in recent times?

Mr GUTWEIN - Absolutely. I think I'd already announced that we will review the State Emergency Act.

CHAIR - I missed that, sorry, I failed to read that.

Mr GUTWEIN - Actually I'm in accord with your thinking and to be frank the current State Emergency Act is ideal for project disasters and emergencies.

CHAIR - Not for a pandemic so much.

Mr GUTWEIN - That's what it was designed for: floods, for fire but not for an ongoing pandemic. So, I think the learnings we've had will be brought to bear and we will review that legislation. I can't think when I announced it, actually in early August, that we would do that comprehensive review. I have looked at the PAC report.

CHAIR - Did you pre-empt the PAC report? Did we have a leak out of the PAC committee?

Mr GUTWEIN - No, in fact I honestly thought I had announced it in the lead-up to the election.

CHAIR - Okay, we're behind the eight-ball then. Alright, any other questions for anyone on 5.1? If not, we'll move to 90.1

Output group 90 - COVID-19 Response and recovery

90.1 State sector - Casual worker support

Ms WEBB - Already, that looks to me like it's something which hasn't completed, because there is an amount there of \$1 million in 2021-21, so the previous financial year, but then nothing allocated across this Budget or the forward Estimates. So, just to confirm really that that initiative has been completed. If not, perhaps explain the degree to which it's ongoing?

Mr GUTWEIN - Which page are you on Ms Webb?

Ms WEBB - Page 267 - it's line item 90.1, one of the COVID-19 Response -

Ms GALE - It was completed. This funding was made available by the Government at the time that we were in full swing of COVID-19 and we had things closed, for example Port Arthur and some of our national parks. A number of the staff involved were fixed-term so this funding was made available to assist the employment of those fixed-term and casual staff

throughout the COVID-19 period. That's been fully expended and it was largely allocated to the Port Arthur Historical Site Management Authority and DPIPWE.

Ms WEBB - In terms of the \$1 million that was expended in 2020-21, was that amount sufficient to meet the need that was there, or was the amount capped and when we reached it we stopped providing the support?

Mr GUTWEIN - We continued to pay.

Ms GALE - It was sufficient. I'll have to find the total number but the \$1 million was sufficient to cover the claims made by both Port Arthur Historical Site Management Authority and DPIPWE.

Ms WEBB - So there were no claims made that weren't?

Ms GALE - No, that's correct.

90.4 Regionally Based Model for Coordinating the Recovery from COVID-19

Mr GAFFNEY - Last year it was indicated that DPAC had more ambitious aims for Service Tasmania offices and that \$250 000 was normally for maintenance and upgrades. I see there is an increase of \$276 000 for this financial year. Could you explain to me what that is going to be for?

Ms GALE - Can I just clarify that we are talking about Service Tasmania again?

CHAIR - We're at 90.4 which is the Regionally Based Model for Coordinating the Recovery from COVID-19, which has an allocation of \$501 -

Mr GAFFNEY - It was \$225 000 I think last year, an increase of \$276 000 this year.

Mr GUTWEIN - We have set up three COVID-19 regional recovery points. Those committees are each made up of nine members, two local government representatives who co-chair, two committee members, one young person 18-24 years, one community services industry representative, one business representative, one Commonwealth Government representative and one state government representative. They are all based in or have significant connection to the individual region that they are located in and they are expected to represent an effective mix, a broad representation of government, regional, and business organisations and the community.

That work is underway. I have each of the committee members here. For interest's sake, I might place them on the *Hansard* record, if that's okay. I will run through the North. From local government, Wayne Johnson from Meander Valley; Mary Knowles, the Mayor of the Northern Midlands; community members, Tanya Greenwood and John Ralph, we have a youth member to be confirmed - I am not sure if that is still the case - they decided not to continue. Community services, Barbara Hill, the Northern Regional Manager of Tasmanian Red Cross; business Michael Bailey, the CEO of the TCCI; Commonwealth Government, Craig Perkins who you would well remember as a former mayor and from the state government, Catherine Murdoch the Director of Northern Cities.

In the north-west, Daryl Quilliam and Sheree Vertigan who is a board member at Cradle Coast; Rodney Croome, Jacqueline de Jonge the community members; Kiara Digby, the youth member; Ros Atkinson the CEO of Family and Community Connections as community services industry rep. From business, Stacey Sheehan, the principal of One Agency Collins Real Estate; from the Commonwealth Government, James McCormack, Employment Facilitator at the north and north-west Department of Education for schools and employment; and Trudy Pearce who is the Deputy Secretary Learning for Education.

In the south, the committee has Doug Chipman, Kerry Vincent, community members Jessica Robins and Serena Manenda. Lily Russell is the youth representative, Lyndon Stevenson, CEO of Community Transport Services Tasmania; Stacey Joseph is the employment facilitator for the TCCI representing business; Beth Jefferson Business Development Manager for Oz Industries; the Commonwealth Government's representative and the state government representative is Rob Williams the Deputy Secretary of Premier and Cabinet.

They have funding over the course of the forward Estimates. Their role is to engage and to provide advice about what other measures need to be taken from a recovery aspect. I would be interested in the views around this table, noting the strong interest in it. The economy has bounced back far better than anybody ever expected that it would but one of the key concerns that I have is in the broader mental health of our community. One thing that really does trouble me is that I spend a lot of time as Premier explaining to people just how awful COVID-19 could be, and would be, and was.

There are people in my electorate in the north-east, older people especially, who are still very much limiting their engagement with their community. To say they are frightened to come out of their home would be an overreach, but not by much. As far as the recovery committees are concerned I want to be able to tap into and understand what is occurring across our broader community as we work our way back. I said to the Premier's Local Government Council, when I met with the mayors recently, from my view economically we are in a very good place. I am concerned about what is happening across their individual local government areas and within their own workforce in terms of how people are responding and feeling as we come out of this. It is an important piece of work we need to understand and we will receive feedback and then frame initiatives based on that feedback.

Ms GALE - Premier, to clarify, that funding is for staff and the COVID-19 recovery tranche 2 to coordinate those.

Mr GUTWEIN - That is right. The people that are on it will be provided with expenses, but it is to support the work.

Mr GAFFNEY - Did you say there was an Indigenous rep on in those three groups? Was that highlighted? I did not hear.

Mr GUTWEIN - In fact, that is a very good pick-up.

Ms GALE - We did not have criteria for Aboriginal representation, but one of the members in the north, I understand, is a Tasmanian Aboriginal person.

Mr GAFFNEY - Okay, but more through good luck than good design?

PUBLIC

Ms GALE - It was not designed in that way.

Mr GAFFNEY - No, perhaps that is something if it goes into following years, it might be picked up because of the conversations of earlier and that is fine.

Mr GUTWEIN - No, I think I might fix that immediately.

Mr GAFFNEY - It is well-worth it, especially after what you just said.

Mr GUTWEIN - No, I think we will fix it.

Mr GAFFNEY - There is \$50 000 allocated next year. If COVID-19 continues and there is still a need for this organisation, then the funding would be allocated to continue, obviously?

Mr GUTWEIN - If there was still the support required. I would expect what we will see in coming budgets, if not the mid-year financial report, if there are initiatives recommended that we should fund and support is provided, then that is what we will see in coming budgets as a result of the recommendations from these groups.

Mr GAFFNEY - Thank you, Chair.

CHAIR - I mentioned how these three groups will engage with their community. Have they any direction or guidance?

Mr GUTWEIN - In fact, I am looking at what I have because what I can do is ask Mr Limkin if he wanted to join the table, who is the State Recovery Coordinator under the Act, I think it is the right title?

Mr LIMKIN - Advisor.

Mr GUTWEIN - Advisor, he will explain how this is going to work, so Craig Limkin, Deputy Secretary of the DPAC.

Mr LIMKIN - Thank you, Premier. We have had one session with each of the recovery committees so far. Each of the recovery committees have already started co-designing how do they want to actually communicate with their community. We thought it was best that it is a place-based recovery process and therefore, they should actually design how they want to engage with their communities. They have started with a very broad basis on how to do it and then a focus on mental health, as the Premier said.

Really how we do that, in partnership with the Department of Health, who is the lead agency for mental health in this State.

CHAIR - That backs the comment for the member for Mersey: you absolutely need to have Aboriginal representation on each of them, in their own right. So, thank you.

Mr GUTWEIN - Thanks Mike.

DIVISION 7

Capital Investment Program

CHAIR - Does anyone have any specific questions about \$250 000 ongoing per investment in Service Tasmania? Shops are having a paint job, no, okay. We'll move then onto -

Ministry and Parliamentary Support

Output Group 1

1.1 Support for Ministers and Certain Parliamentary Officer Holders

Dr SEIDEL - Thank you Chair. Page 222 - Output group 1. lists the funding to support the function of officers and it lists the Premier, ministers, and the Deputy Premier, Treasurer, Speaker of the House of Assembly and Leader and Deputy Leader of the Government and Legislative Council. Are parliamentary secretaries included also in this output group, or is it a different output group?

Mr GUTWEIN - Parliamentary secretaries aren't paid.

CHAIR - Above their normal salary?

Mr GUTWEIN - They're paid above their normal salary, so there is no loading applied to a parliamentary secretary.

Dr SEIDEL - Are they receiving any additional with regard to staff?

Mr GUTWEIN - Each parliamentary secretary receives one additional staff member.

Dr SEIDEL - What pay or salary band would that be?

Mr GUTWEIN - We can get that - is it in line with electorate officer? No, I'm happy to provide that.

CHAIR - That's the salary band of the staff supporting the -

Dr SEIDEL - Parliamentary secretaries. That's all I have.

CHAIR - Any other questions? If not, we'll move to -

1.2 Support for Members of the House of Assembly

Dr SEIDEL - Again, same page 221 and my question is about the report for independent members of the House of Assembly. Do independent members currently receive different allowances, or different staff supports compared to party members in the House of Assembly?

Mr GUTWEIN - Yes, they do and in line with what occurred under the previous term, again, we can provide the exact numbers, but if we can take it on notice and we'll provide you with the detail, yes.

PUBLIC

Dr SEIDEL - That's discretionary, so that's the decision you've made to allow more administrative staff, electoral officers?

Mr GUTWEIN - Can I say, it's a position that was put in place by the previous premier, so I've inherited it and maintained it.

CHAIR - So what is the staffing level for independent members downstairs?

Mr GUTWEIN - To be honest, I think it's two staff.

CHAIR - So, why would they be different from independent members of the upper house?

Mr GUTWEIN - Again, that's a matter for the lower house.

CHAIR - So, if an independent member of the upper house and wrote to you, as Premier, and said, 'How about some equity here,' would that be something that you would consider in terms of we have an equally important job to do?

Mr GUTWEIN - The upper house, largely has been an independent house, it's not to that extent at this point. I'd need to just revisit the rationale of the previous premier in terms of that support and as I say, I've inherited the situation.

CHAIR - Yes, expect a letter. I mean the party members can ask themselves, they can go direct to their - anyway, I think in terms of equity in the roles that various members play, yes, the houses have their own rules, essentially -

Mr GUTWEIN - They do.

CHAIR - Our roles are pretty similar. So, any other questions on that line? Okay, well thank you, Premier, that's the end of that area. We'll move to Treasury and we'll get started in Treasury before we get to lunch.

The Committee suspended from 12.18 p.m.

The Committee recommenced at 12.23 p.m.

CHAIR - Thank you, Treasurer now, and welcome to your Treasury team. Could you introduce the members at the table? I will then invite you to make an opening statement about your Treasury portfolio.

Mr GUTWEIN - To my right, Fiona Calvert, Deputy Secretary Department of Treasury and Finance; Tony Ferrall who you are all familiar with, the Secretary of the Department of Treasury and Finance; and, to my left, Andrew Finch, my Chief of Staff.

I will keep my opening remarks fairly short. The Budget that I've delivered provides for a range of funding in ensuring that we meet our election commitments and that we continue to support our economy and the strong growth that we're seeing there.

PUBLIC

It is very important that it provides additional and, again, record funding into health, into education. There is a significant program of support for social housing and a very strong infrastructure program over the forward Estimates. It also included the formation of Renewables, Climate and Future Industries Tasmania which I think will be a fantastic opportunity for the state to grasp what I see are great and very significant opportunities that are presenting right now.

Importantly, it delivers on the funding that we have outlined to support TasTAFE and the process of reform that we are engaged in there. Across the board, it is a budget that delivers on what we said we would deliver on and continues the very strong program of investments in both essential services and in infrastructure as we move forward. With that, I'm happy to take questions.

CHAIR - I will start with some overview ones broadly, particularly focusing on aspects of Budget Paper No. 1, if that's right, and some other matters. When can we expect next year's budget?

Mr GUTWEIN - It will be May next year.

CHAIR - Okay. I was hoping that was the case. I'm sure the Treasury people are too. In terms of the risk and sensitivities chapter in the budget papers, it's always a good summary. I think it's particularly good this year because it describes our risks and some of the sensitivities. I am interested at this point because it doesn't really seem to fit anywhere particularly else and I will take it up with the minister for Health again tomorrow, but there is a real risk with the the National Health Reform Agreement that's identified here. As the budget paper notes -

There remains an underlying risk to the Budget and Forward Estimates that... demand for health services in Tasmania may grow at a faster rate than growth in the Australian Government's capped funding contribution.

As Treasurer, I'm sure you're well aware of the increased demand in health expenditure as related to COVID-19 particularly. Are we likely to hit that cap in our increased funding under that arrangement? Are there discussions at a Treasury level about how we're going to manage that if we're getting there? I imagine that's a problem for other states as well.

Mr GUTWEIN - There's certainly a discussion between treasurers at a national level and this matter is something that has not escaped anybody's notice, I can assure you of that. The circumstances that we find ourselves in, whether there are increased demands on health, could put us in a position where we may breach that cap. As you would be aware, then funding becomes solely the state's responsibility above that cap.

There are a range of other funding agreements that have been put in place during COVID, for example, the National Partnership Agreement that was established relating to private hospitals and the other COVID-related matters, which is separate to the National Health Reform Agreement process.

CHAIR - The funding that provides doesn't impact on that calculation under the National Health Reform Agreement?

Mr GUTWEIN - My understanding is it doesn't.

PUBLIC

Ms CALVERT - That's my understanding but I'm just confirming that.

Mr GUTWEIN - Yes.

CHAIR - I wasn't sure about how it actually worked.

Mr GUTWEIN - That is an obvious risk as we move forward.

CHAIR - Okay. The increase to your Treasurer's Reserve, a little change of tack from 2014 to now. It was a negative thing to top-up the Treasurer's Reserve, just in case but now we have given it a significant top-up. Do you want to explain your rationale behind those decisions and change of position?

Mr GUTWEIN - I actually reduced it from \$20 million to \$10 million in 2014.

CHAIR - I know you did, yes, saying it was irresponsible to have such a large reserve there.

Mr GUTWEIN - I think the circumstances today are vastly different. The budget obviously requires some flexibility as we move forward and in discussions with the Secretary of Treasury as we were putting the budget together, a recommendation was made that a reserve of that level be included this year, especially. It flattens to \$50 million a year over the three out-years.

I would hope that we don't need to utilise it under emergency services and, like last year, in terms of the provision that we made for Health which was, from memory, \$145 million - I think we spent 73 per cent of it, about \$90-odd million, from memory. So it wasn't fully expended and we had a better outcome than we thought that we might. I hope to have a similar better outcome this year moving forward but if we need to spend it, it's there to be spent. It's there to buy that flexibility.

CHAIR - It would be nice if we didn't need to spend it. What would be the plan for the future if there's \$300 million sitting there if we don't need to expend it on COVID-19-related things? Is it going to be a war chest, or what is it going to be?

Mr GUTWEIN - In terms of the way that the act operates if we don't spend it, then I won't carry it forward.

CHAIR - It just disappears out of the Budget?

Mr GUTWEIN - We have \$150 million this year which is expensed and then included in our bottom line. If we don't spend it our bottom line will improve and next year we'll make a decision in the budget as to what an appropriate level for the Treasurer's Reserve would be moving forward but we won't be carrying it forward. I haven't established a specific purpose account that the money rolls into; it's just in the Treasurer's Reserve but it is expensed in the Budget in terms of the bottom line outcome.

Ms WEBB - Treasurer, similar to the last portfolio area we covered, I want to ask if there were any PESRAC Interim recommendation allocations to this portfolio. We discussed the

ones allocated to Finance yesterday with that minister but if there are any that are specific for you in your elements of Treasury and Finance, could we have an update on them and then also an update to any final PESRAC recommendations that relate to this portfolio area?

Mr FERRALL - When I answered the question yesterday, we effectively covered that. Treasury was responsible so we did combine the two of them. I could repeat that answer.

Ms WEBB - No, that is perfectly sufficient. We have it captured.

Moving on to another overview question and again, similarly to the last portfolio area is around the gender impact assessment. From your answer last time that I would take it as read that in this portfolio area none of the particular funding or initiatives or elements that we see in the budget paper had a gender impact assessment applied to them.

Mr GUTWEIN - As I said before, there was no gender impact assessment. As I already committed, I am happy to do the work to understand what a gender impact assessment might include and how one would be conducted.

Ms WEBB - Similarly, I would like to follow up the Diversity and Inclusion Framework 2017-2020 and how that applies to this portfolio and this department in your areas. Has it been actioned? Has it been completed? Has it been evaluated or reviewed? Could you report something like that?

Mr GUTWEIN - Absolutely. I will ask the Secretary of Treasury to answer that one.

Mr FERRALL - In terms of Treasury's Gender Equity, Diversity and Inclusion Strategy specifically or more broadly?

Ms WEBB - Is that what came about as a result of the broad Diversity and Inclusion Framework 2017-20?

Mr FERRALL - We established the women in leadership action plan in 2017-2020. That was completed in March 2020 and we now have a new diversity and inclusion strategy and plan which goes from 2021-23.

Our primary focus in the period of 2017-20 was around gender in terms of women in leadership. Historically, Treasury had relatively poor representation in its senior leadership by women. Over the period from 2017-20, we have moved from a position of females in senior leadership roles from, say, 30 June 2017 which was 39 per cent and by senior leadership roles we are defining those as band eight and above. In June 2021, it had changed to 56 per cent. We are not as strong in SES and have a limited number of senior SES positions in Treasury, but from June 2017 we had 19 per cent female representation. In June 2021, we have gone to 40 per cent representation.

Ms WEBB - That demonstrates in that previous period you were focusing on the gender element of diversity and inclusion. You mentioned a new plan you have now 2021-22. What is the focus now and what metrics there are you looking at?

Mr FERRALL - Looking at 2021-23, we are continuing the awareness of unconscious bias in our recruitment and we have effectively broadened from what might have been a

particular focus on women in leadership to a broader diversity position. We are continuing to support our flexible working within Treasury, which is not gender specific. We are also looking at increased technology resources to allow people to work from home and work from other ways and also to collaborate more in terms of their working.'

We are continuing a strategy we started some time ago, which was requiring gender balance short lists for recruitment. Basically, for any position bands 7 and above we require that the recruiter within Treasury has to seek my authority, if they do not have a gender balance shortlist in terms of the recruitment. We have also expanded our executive rotation, so we have a relatively small executive group and have two positions on that which are for rotation across the agency. I call for expressions of interest within Treasury, and again, that is not gender specific. It is more about aspiring leaders but in recent years we have tended to focus on females in those roles.

We have also changed our recruitment and selection practices. We are looking at short form applications again. We have had challenges, like all agencies. It is challenging for people outside the public sector to understand what it might mean to try and apply for a role in the public sector if you have very long recruitment application processes and must address every selection criteria. We have moved to a short form application, which has broadened our recruitment fields. We are also continuing our focus on preventing violence against women which also aligns with Our Watch Workplace Equity and Respect Standards.

Ms WEBB - I am interested in RTI performance and resourcing within this department. In the RTI annual report for July 2019-30 June 2020, of the 17 RTI applications received by the department in that period, 16 were determined either fully or in part. Of those 16 applications, 7 took more than 20 working days to be determined. You probably cannot give me an average turnaround time from what I gather from the last portfolio answer, but can you give some insight? Can you tell me any more about that extended time or metrics for this? Can you also tell me about the resourcing of RTI responses within the department? The number of FTE staff with RTI responsibilities, whether that is their full-time role or whether they do it additionally to other roles? What arrangements are in place and what resourcing is given to staff RTI training across the 2019-20 financial year, the 2020-21 and then this one we are in now?

Mr FERRALL - We do RTIs for Treasury as an agency. We also do RTIs for the Treasurer under delegation and also for the Minister for Finance. In 2019-20 we had 24 RTIs, 19 of those were on Treasury and five were on the Treasurer's Office. In 2021 we had 12 RTIs, 11 of those are on Treasury and one was on the Minister for Finance's office. In 2021-22, as at 23 August, so most recently, we've had six RTIs on Treasury.

In terms of the number of requests determined in various periods, but between one and 20 working days: in 2019-20 it was 15; in 2020-21 it was seven; and in 2021-22 it has been two, a shortened timeframe. The number of requests determined after 20 working days of application being accepted was nine in 2019-20, two in 2020-21, and one in 2021-22.

Of the requests determined after 20 working days, the number of requests that involved an extension negotiated with the applicant - under section 15(4)(a) of the RTI Act there's a process for negotiating extensions - in 2019-20 there were seven where we negotiated an extension.

PUBLIC

Ms WEBB - Was that the entirety of the ones that were exceeding the time? Can you make that comparison? I didn't actually note them down, sorry.

Mr FERRALL - I'm happy to provide you with the table if that helps. I'm not sure it's in entirety but we had seven in 2019-20 where we had a negotiated extension. In 2020-21 we had two, and of those two there was one that involved consultation with a third party which led, in part, to that extension. In 2021-22 we've had one that we've had a negotiated extension on. In terms of those consultations with third parties, in 2019-20 there were two of the applications, in 2020-21 it was one application.

Ms WEBB - Thank you for that detail.

Mr FERRALL - We don't have any dedicated RTI officers so we don't have anybody with that as their sole role. We have a number of people who perform RTIs. We have two components. In the office of the Secretary we have approximately four people who are trained to do RTIs but throughout the agency we have a number of other people who can support them if required. I would have to check the exact number of designated RTI officers. I have the information somewhere but just not right in front of me.

In terms of the training of RTI officers, where we have a new RTI officer who has potentially not performed an RTI previously, we go through a process of them effectively shadowing an individual as they do an RTI. For any of the officers to be delegated as RTI officers, I've got to be satisfied that they have the capabilities to perform the tasks that they're required to do.

Ms WEBB - There's not a dedicated resourcing allocation there for training or refreshing or -?

Mr FERRALL - No. We do the training courses that are provided but, as I said, from an individual point of view we have people who are legally trained but not necessarily having a practice certificate, et cetera. We have individuals who have adequate or appropriate training in terms of performing RTIs.

Ms WEBB - Thank you. I have another set but I'm happy to come back, if you want to keep mixing it up a bit.

CHAIR - No. Keep going.

Ms WEBB - I have a set of questions in relation to your involvement around the casino tax rate under the Future Gaming Market model that is being brought to parliament shortly. My question is around the process for establishing the proposed new casino tax rates under the Future Gaming Market model that's in the Draft Exposure Bill.

You've stated on the public record that package was not finalised by Cabinet until after the May election. Further, yesterday, the Minister for Finance was able to confirm that he had knowledge of that intended tax rate prior to the election at the time that questions were being asked in the public domain about it.

Can you please now provide the date when the Future Gaming Market policy package, including the intended casino tax rates, was first considered by Cabinet? I stress 'first,' not

PUBLIC

when it was finalised. Just to be really clear I am not asking you to divulge anything in terms of cabinet-in-confidence discussions or details. I am merely asking for a confirmation of the date that this agenda item was first considered.

CHAIR - This is going somewhat from the budget Estimates questions.

Ms WEBB - One of the reasons I'm asking -

CHAIR - If you can ask a question, but it is straying away from the purpose of the budget Estimates Committee Hearing.

Ms WEBB - Here is the line I draw, Chair. There is detail of this topic with the Treasurer acting on it, with correspondence signed off as the Treasurer. It relates to the budget papers. Details about this topic have been omitted from the budget papers, so asking for more detail around it is part of getting extra information that wasn't provided to us in the budget papers.

CHAIR - There are other formats for doing it but I will give the Treasurer a chance to answer. I can refer you to the Standing Orders if need be.

Mr GUTWEIN - Cabinet considered this material and the package after the election and made its decision. Why it's not included in the Budget is because until the bill passes both Houses of Parliament and it has no material impact on the Budget.

Ms WEBB - To clarify-

Mr GUTWEIN - I am not going to get trapped in words. Cabinet considered it and made a decision after the election.

Ms WEBB - So, that is the answer to the question I asked about when Cabinet first discussed, first considered this policy, including the tax rate?

Mr GUTWEIN - The answer that I am providing is that Cabinet considered this matter and made its final decision after the election.

Ms WEBB - When did Cabinet provide sign-off to the drafting instructions for this bill?

Mr GUTWEIN - Again, I am not going to go into Cabinet machinations. In terms of the consideration and the decision that was made, it was made after the election

Ms WEBB - Would you then say, Premier, that in addition to you and the Minister for Finance, were other Cabinet members aware of this intended tax rate prior to the election?

Mr GUTWEIN - Any further discussion on this is on the public record. I wrote to Federal late last year and informed them of what the Government's intention was. You are aware of that. You received that letter through RTI. A final decision wasn't made on the package of legislation until post the election. That's on the public record and that's the position that I am prepared to put to this committee today.

Ms WEBB - I will move onto another element of the same; it's a specifically financial question relating to the same topic.

CHAIR - Give it a go. It's under our Standing Orders. Just to remind everyone that the committee procedures for Estimates Committees is for:

- (1) Consideration of proposed expenditures in the Estimates Committee follows as far as possible the procedure observed of a committee of the whole House.

That's clear about the House.

- (2) A Committee will consider expenditures on an output by output basis, including Grants, Subsidies, Loans and Capital Investment Program.
- (3) A Committee may ask for explanations from a Minister related to the outputs.
- (4) The Minister who is asked for explanation may be assisted where necessary...

I won't go through the rest of it but because this is not an output group within the Treasurer's portfolio area, I am giving you some leeway but we need to be very specific and relate directly to the Budget.

Ms WEBB - My understanding is that in the overview area that we could touch into spaces that were policy sections -

CHAIR - I have already made a ruling. If you have a question, you can ask the question.

Ms WEBB - The tax rate that is applied to casino poker machines in the Future Gaming Markets model is a tax reduction from the current tax rate of 25.88 per cent that is applied to casino poker machines. It's a reduction to 10.91 per cent plus the CSL, bringing it to 13.91 per cent. Independent modelling shows that this cut in reduction to the tax rate would be \$7.1 million of state revenue foregone in 2024, which is within this Budget forward Estimate period, and revenue foregone of \$119 million over the 20-year licence period. Is that reflective of the Government's modelling of that decision? Can you dispute that those figures are correct?

Mr GUTWEIN - I would need to consider those numbers that you've raised. I again make the point that until the bills pass both the lower house and the upper house, they have no impact on the Budget. Ultimately, this place will be the final arbiter of those rates. This is a point that I have made on many occasions.

The attempts to suggest that we've been anything other than upfront and frank with people really staggers me, to be honest. Ultimately, this place will be the final arbiter of those rates. Until the bill is passed, obviously the Budget, whether it be this year's or next, will not include any of the impact, whether positive or negative, of those tax rates until those bills are passed. Really, it's a superfluous question at this stage.

CHAIR - Any other further questions?

Ms WEBB - I am prepared to keep asking questions on that same topic but my understanding is you probably would prefer that I didn't.

PUBLIC

CHAIR - I think we're straying from the purpose of the Estimates hearings. There are other avenues for that. Have you any other questions?

Ms WEBB - Okay.

CHAIR - No?

Ms WEBB - I would have followed up on a question that I asked the Minister for Finance yesterday which has been taken on notice. That was about the benchmarking and I'm looking forward to seeing that come back.

CHAIR - He has taken that question on notice.

Ms WEBB - Yes.

CHAIR - So he will be responding to that.

Mr FERRALL - In response to your earlier question, we have eight individuals trained as RTI officers as part of their role.

Output Group 1 Debt Servicing and Management

1.1 Debt Servicing

CHAIR - I've got some questions around Budget Paper No. 1 regarding GST and things like that, if you're happy to take them under 4.4. It's about GST administration but I want to come back to Budget Paper No. 1, if that's okay with you, Treasurer?

Mr GUTWEIN - Yes, of course.

CHAIR - Yes. It's not strictly about the administration of GST; it's about more our risks and the cliff that [inaudible] wants to avoid. With regard to the debt servicing, if I can take you to Budget Paper No. 1, page 56. It's in the -

Mr FERRALL - Policy and Parameter Statement.

CHAIR - Yes, it's the Policy and Parameter statement. Under Parameter Adjustments, you've got Borrowing costs down the bottom of your forward Estimates. There's a number of comments in your footnotes and other commentary around some of these movements and they relate to your consideration of what the likely interest rates are going to be.

We had some discussions yesterday about this in terms of the superannuation liability and the assumed discount rates and interest rates. Increasing interest rates will significantly impact the borrowing costs. On what basis of interest rates are these figures provided in terms of servicing our debt?

Mr GUTWEIN - I know that the Secretary of Treasury will provide you with the exact information.

CHAIR - Excellent.

Mr FERRALL - In terms of our borrowing costs, there are two components that would effectively have revised or new interest rates applied to them as we go forward. One is where you have debt that is existing that gets rolled-over. Then potentially we would have a new rate. Also any new debt that's picked up across the forward Estimates would have the current prevailing rate at that point in time.

So, the forecast rates for those loans that we've included in preparing the forward Estimates for 2020-21, we're assuming an applicable rate of 2 per cent; for 2022-23 2.35 per cent; for 2023-24, 2.67 per cent and 2024-25, 2.94 per cent.

CHAIR - On what basis have they been determined?

Mr FERRALL - Effectively, we looked at forward rates and have used the forward rate curve. There's no guarantee that they will be the rates at those points in time but they are reasonable assumptions for us to make at this point in time.

CHAIR - Obviously a small change will make a big difference. As you can see, in itself, and it's a matter for the Government to address should it occur, I guess. I just want to comment on 1.2, unless anyone else wants to jump in on 1.1, because the same applies to interest on sundry deposits too. I assume you've used the same interest projections to calculate those, Treasurer?

Mr FERRALL - They're not identical. Effectively, we would earn less for our earnings than we will in terms of what our borrowing costs are but we've ensured that the two assumptions are consistent across the forward Estimates. I haven't got in front of me the rates for the earning but I can look that up in a moment.

CHAIR - You do assume that will go up as well, at a lesser rate?

Mr FERRALL - At a much lesser rate, yes.

CHAIR - You're still expecting that to rise?

Mr FERRALL - Yes, we've made sure the assumptions within the budget papers have sort of a consistency or have integrity across both our earning rate and our borrowing rates.

CHAIR - Treasurer, people get a bit worried about debt, some do. The capacity to pay debt off and we've heard lots of commentary, some ill-informed I would suggest, in the general public about the intergenerational debt that we're all going to be facing and our grandchildren are going to be suffering as a result. Are you confident that the level of debt the state holds and the capacity to pay is there? Are we going to get ourselves into a situation where things are going to have to be cut to fund our debt repayments?

Mr GUTWEIN - I'm very confident that the debt levels and the payments that will be required are very manageable within the context of the budget. If I can put it in the context of the federation and other jurisdictions around the country, we will still carry the lowest level of net debt of any state and net debt per capita will be the lowest level out of any jurisdiction in the country. In fact, I should have said jurisdiction instead of state when referring to the level

of debt that we'll carry. So, we'll have the lowest debt and the lowest debt per capita out of all jurisdictions across the country.

In terms of this Budget versus the budget that we brought down in November last year, there is an improvement in the budget of around \$1.2 billion across the forward Estimates, in the level of debt that we carry. This is largely as a result of the fact that our position improved due to the strength of the economy but also, we didn't quite spend as much as we thought we would through the period.

So, over the forward Estimates -

CHAIR - Change in the economy, a lot of that was GST-related, the significant uplift in GST?

Mr GUTWEIN - There was significant growth in stamp-duty and payroll tax as well. That has all played to increasing the revenue position of the Budget. I made the point yesterday at lower house Estimates, effectively, really there are three ways that we can manage this debt moving forward. One is that we can treat it in the same way that most people treat their mortgage and that is to pay it off over a longer period of time, within the context of the revenues that we have and the intergenerational assets that we have.

The other approach is that we can look to sell something, which I have no intention of doing and we're not going to look at doing -

CHAIR - His office still looks safe.

Mr GUTWEIN - The Treasury building looks very safe. We've had that debate and we've been through it. The other way is to grow your economy and utilise increasing revenues to actually knock it down quicker. Now, across the Budget and forward Estimates the operating cashflows that we generate in the budget return to surplus, or to positive positions as of next year, over \$360 million. I know there's been some debate about that but we are in an operating cash surplus next year and those operating cash surpluses increase to more than half a billion dollars a year across the forward Estimates.

CHAIR - They're not cash surpluses, they're operating cash surpluses?

Mr GUTWEIN - They're operating cash surpluses, but again I've been clear in my language. They demonstrate that, one, we can meet the ongoing costs of government, the people who we employ, our suppliers and consumables and other costs associated with running government. But we borrow to invest in our infrastructure.

Those operating cash surpluses will reduce the level of borrowings that we have to invest in infrastructure. I think the Budget is in a good place. The challenge we have is no-one knows what COVID-19 is going to bring and what's around the corner. Other than, what has been demonstrated is that every time a jurisdiction has come out of a lockdown there has been a V-shaped recovery in its spending to date.

CHAIR - In fairness, I don't think that probably takes into account the long-term mental health impacts and the cost that could have on our economy. We'll leave it there now and come

PUBLIC

back to this point of fiscal strategy in this area. I just ask that next year could you put it back into the table form? It's much easier to read. I've already mentioned that to the secretary.

Mr GUTWEIN - Actually I thought exactly the same.

CHAIR - So would others around the table. General consensus, back in a table next year, excellent. Treasurer, we'll break now until 1.45pm for a lunch break.

The Committee suspended at 1.02 p.m.

The Committee recommenced at 1.50 p.m.

CHAIR - Welcome back, Treasurer. We were dealing with 1.1.

I want to take you to the fiscal strategy on page 34, Budget Paper No. 1, and there's further commentary on page 37.

General government debt and defined benefit superannuation liabilities will be managed to ensure the combining of servicing costs is less than six per cent...

You state that it will stay at less than six per cent over the forward Estimates but I note it's creeping up. By the time we get to 2024-25 it's up to 5.2 per cent. Whilst this debt is likely to have a fair tail, are you confident you will be able to keep those payments under 6 per cent?

Mr GUTWEIN - That is our plan.

CHAIR - You're fairly confident you'll get there.

Mr GUTWEIN - Yes.

CHAIR - It has increased 0.7 per cent over the forward Estimates.

Mr GUTWEIN - The reason I can say I'm reasonably confident is that I see more upside in terms of the economy as we move forward, and certainly the national economy. One would hope by the middle of next year or thereabouts that we will start to see the opening up of the international borders and we will see more inbound travel, whether it be students, skilled migrants or the broader visitor economy as well. I think that's a given and that will come back.

As the border restrictions come off - and they will come off New South Wales and Victoria over time - they've bounced back. Again, this is based on the only empirical evidence that we have, which is what has happened with previous lockdowns. I see a stronger economy, increased revenues. We've got capacity built into the Budget for other factors. So, if we can manage our expenditure well over the next 12 months, I can see an upside in revenue and, hopefully, therefore, we will see an improved position in debt as well.

CHAIR - You note the restrictions on individual travel and border closures due to the pandemic have constrained supply of skilled and specialised labour but also it has flowed through into the production and transportation of goods. We hear from the construction

industry their challenges with getting not just building materials but also fit-out materials and things like that and the skilled workforce as well.

Clearly, this is not going to be a problem that will fix itself overnight either. That's going to potentially be a constraint. Even if state borders open and/or our national borders open for international travel, we're still going to have elements of quarantine, aren't we?

Mr GUTWEIN - It's difficult to see a world in the short term, that is, over the coming calendar year, where there isn't some form of quarantine. Again, it will depend on what the state of individual countries are that we start to open up to. One would not have expected what's currently occurring in New Zealand, for example.

CHAIR - They have low vaccination rates there, though.

Mr GUTWEIN - They do. They are a little bit like Western Australia, in that they were very isolated.

CHAIR - They are a separate country.

Mr GUTWEIN - They are a separate country, albeit Mr McGowan obviously has his own views on WA.

The other thing that fills me with heart is that one thing I do know historically - Treasury would support me on this because it's a Treasury construct - people, migration has increased in Tasmania when we have had work. I think we will see that occur again to a higher degree than we've seen in the past because this time around there's a push factor working for those who have spent time in Sydney or Victoria who are looking to get away from the larger cities as a result of their lived experience now. Not only will we have the pull factor of jobs here, but we will have a push factor working for us as well. So, I expect we should see a stronger growth in population than we've factored into the Budget.

CHAIR - They will all want to get out of there now. You can't get in.

Mr GUTWEIN - You're spot on.

1.2 Interest on Sundry Deposits

CHAIR - I mentioned earlier interest on the sundry deposits. I think the Secretary may have those figures now, Treasurer, if he is happy to provide those.

Mr FERRALL - Interest on our investments: for 2021-22 we're estimating 0.38; for 2022-23, 0.73; 2023-24, 1.05; and 2024-25, 1.32. They are a similar profile to the borrowing rates that are obviously a lower earning rate than we borrow at.

CHAIR - Thank you for that.

**Output Group 2
Employee Related Costs**

2.3 Provision for 27th Pay

CHAIR - 2.3 is the provision for the twenty seventh pay for which there is no provision this year because it doesn't fall this year, I assume.

Mr FERRALL - No. The old provision for the twenty seventh pay was really an internal transfer because it was effectively a payment from the Consolidated Fund to the Special Deposit and Trust Fund. With the introduction of the new Financial Management Act, as we now no longer have that provision it makes no difference to the financial statements because they're prepared on a GGS level. and so that previous transfer from the Consolidated Fund to the Special Deposit and Trust Fund just makes no sense in the new framework in public accounts.

CHAIR - That will just disappear out of the Budget papers from next year.

Mr FERRALL - Yes.

**Output Group 3
Government Businesses**

3.1 Sustainable Timber Tasmania

Dr SEIDEL - Page 123, Output Group No. 3, 3.1. The funding support for firefighting capacity and is pretty much constant funding. It has been \$2 million every year on forward Estimates. Treasurer, have you been approached by STT in order to increase the funding considering that the bushfire risk has significantly increased, in particular in the south-west of Tasmania?

Mr GUTWEIN - There is a mechanism that we utilise with STT in how we allocate the costs associated with bushfires, isn't there?

Ms CALVERT - There's a mechanism where costs are significantly over that base amount in high fire seasons. We regularly work with the STT in relation to the levels of their CSOs so it is an ongoing conversation.

Dr SEIDEL - The funding has been constant, and really has been for quite some time. The fire risk has increased. There was a Zurich Insurance report released in 2019 about the increased risk and the role of STT in mitigating wildfires and bushfires. You haven't been approached by STT in order to increase the funding?

Ms CALVERT - I'm not aware specifically in relation to that report, no.

Mr GUTWEIN - Since I've been Treasurer, in bushfire years there's an increased cost that we meet. I thought we had over time -

Mr FERRALL - There is a general provision in Finance-General and that has been increased although not the direct appropriation to STT. But, as Fiona mentioned, in any year

when there is a fire, there's a mechanism where the entities involved including potentially STT, and Parks, can make claims effectively back for increased costs in those particular years. That mechanism has been in place for 15 years, I think, where they can make those claims. We increase it periodically. We have increased the funding provision that's within Finance-General but we haven't changed the STT component.

Dr SEIDEL - That's reactive, isn't it? You have a bushfire so you increase the funding afterwards, but in terms of bushfire mitigation you believe there's no need to increase ongoing funding?

Mr GUTWEIN - As a land manager, that is part of their normal operations in terms of how they manage their reserves. Sustainable Timbers Tasmania is effectively split into two separate parts. One is its commercial operation as you would understand and the other is the land management. We provide Community Service Obligations on land management of which they would make their own decisions of how they would manage that risk.

The other commitments that have been made for being bushfire safe, some of the other commitments are \$5.1 million over the Budget and forward Estimates for Fire and Emergency Services Volunteer program, being grants for investing equipment upgrades and bolstering the recruitment of volunteer fire fighters. There is \$2.5 million over the Budget forward Estimates to further enhance the Red Hot Tips Program to support farmers and large land owners to conduct private burn offs.

Interestingly enough, that has been one of the most welcomed programs I have ever seen in government, from the agricultural sector. There is \$2.5 million over the Budget forward Estimates to boost the Government's own fuel reduction program. We announced there would be additional support for mechanical clearing should that be required, \$900 000 over three years for the state operations centre for multi hazard intelligence teams to provide rapid advice. There is \$1.3 million this year to implement the Australian Fire Danger Rating System, one of the recommendations from the 2020 Royal Commission Natural Disaster arrangements.

The other thing we are looking very closely is how we provide electronic monitoring of an early warning system especially through the TWWHA, the Tasmanian wilderness world heritage area, there has been a lot work undertaken there. How do you kill a monster? A monster being a big bushfire, you get it when it is small. Whereas at the moment it would be based on effectively smoke signals, we are looking at what we can do to ensure we put in place that effective monitoring.

CHAIR - It is pretty wet down there this year, it is not quite the risk it was a few years ago.

Mr GUTWEIN - No, it is not. Our dams are actually not in bad shape either.

Mr FERRALL - STT also gets a further \$2 million funding for hazard reduction as part of their CSO.

CHAIR - While we are on STT. Can I take you to Budget Paper No. 1, page 88 where we look at the dividends and income tax equivalents? It appears STT is finally going to become a bit profitable to the point in 2024-25 they will pay a \$6 million dividend, based on the 90 per

cent of net profits after tax. What is the dominant factor in turning it around to the point they can pay \$6 million.

Mr GUTWEIN - What they are also doing in those intervening years you would note there is a \$2 million dividend being paid the previous year and this year, then there are no dividends for the next three, followed by that larger dividend in the final year. I just signed a letter with the minister, it is a program of around \$10 million that was committed to during the election period which was to be shared in terms of its cost with \$11.7 million over five years including a Sustainable Timber contribution over that period of 5.85.

The objective is to ensure we can work with industry a system to retool as we move into more plantation logs and smaller native forest logs. We are still continuing to progress on the north-west coast and the Government has provided significant support for the Hermal project, but there will need to be a transition. What is interesting is over time the economic modelling I released yesterday for the climate change, was the target of a more ambitious net zero emissions target, CLT and the more specialised top end in terms of what we do with our timber here was one of the key opportunities for us.

CHAIR - Does profitability relate to the sale of other plantations or is it just the operations generally?

Mr GUTWEIN - It is fair to say that their corporate activity that can be profitable. Where Sustainable Timber Tasmania (STT) - and also Forestry Tasmania - was unprofitable was when it was running a small commercial arm that was looking after a very large state of forests which in many cases wasn't harvested.

With the set up that we now have, the business has an opportunity to provide returns to government.

CHAIR - People weren't paying as much for the wood as it was worth either. Instead of a loss you just make a bigger loss if you keep selling.

Mr GUTWEIN - The ongoing negotiation of those contracts that occurred, we've seen the bounce back in international markets as well in recent times so STT has been -

CHAIR - Currently there's not a demand for timber building products too.

Are there any other questions on 3.1?

We will move on to 3.2, the State Fire Commission.

3.2 State Fire Commission

Ms WEBB - I am not sure if the questions that I've put together are relevant because I note that in this line item the contribution as it is described here is, 'the State Government's annual funding contribution to the State Fire Commission in accordance with the Fire Service Act'. It is obviously the same amount across the forward Estimates so it's a set amount. I don't know what sets that amount? The act itself or is it a proportion of something? Help me to understand that.

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Mr FERRALL - I will have to check why it's held constant over the period.

Ms WEBB - It seems unusual that it was constant over a period like that and clearly it is a legislated amount. There are some other things described here on page 123 in the description, it says, 'To support the State Fire Commission in funding excess firefighting costs to support the Bushfire Mitigation Program and to meet the funding required under the act'.

I want to know if it is simply what is required under the act or if there's an additional amount that goes towards those other functions?

Mr GUTWEIN - Ms Webb, we will get you a breakdown.

Ms WEBB - Perhaps the questions I have relate to the State Fire Commission. I realise that's another minister's responsibility rather than under you as the Treasurer so it might be that questions that relate to the functioning of the Commission aren't relevant here on this line item, do you think?

Mr GUTWEIN - I could have a go at them but to be honest you would be best placed asking the appropriate minister.

Ms WEBB - I am trying to see if any of the questions I have prepared relate to just the State Government contribution or not.

Mr GUTWEIN - The secretary might be able to provide some further advice.

Mr FERRALL - On 12.59, there are three components to that allocation. There is \$790 000 which is for bushfire mitigation; \$1.806 million which is the annual funding provided in accordance with section 101 of the Fire Service Act; \$10 million for the excess firefighting costs within that number.

Ms WEBB - Are those figures kept consistent across the forward Estimates?

Mr FERRALL - The \$10 million is a constant, so is the \$790 000 and the \$1.08 million, which is annual contribution is held constant but that would be looked at as we go forward in annual budgets and that's not highly variable either.

Ms WEBB - The amount itself is not in the act but the -

Mr FERRALL - It is done in accordance with the section 101 but effectively the Fire Commission is funded from a range of sources.

Ms WEBB - So I gather.

Mr GUTWEIN - Are you going to quote section 101 in detail?

Ms WEBB - One thing you may be able to answer for me, when I was looking at the detail that's in Budget Paper No. 2, volume 2, page 115, about the State Fire Commission. I was looking at their table 26.2, their supplies and consumables, there's a drop-off across the forward Estimates and the footnote says that -

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The decrease in supplies and consumables and increase in grants and subsidies and other expenses is due to a realignment of the Budget for fuel reduction payments, national aerial firefighting contributions and workers compensation based on 30 June 2020 actuals.

I was interested in the national aerial firefighting contributions. Are you able to explain to me what those national aerial firefighting contributions relate to? Is it a payment for assistance that we might have received fighting the Tarkine fires in 2016 or the north-east fires in 2019-20?

Mr FERRALL - We certainly don't have the details for the Fire Commission. We can find them.

Ms WEBB - It was more of an interest than a pressing requirement. I presume - I think this comes under the Police, Fire and Emergency Management minister and no doubt someone is asking questions on it there.

Mr GUTWEIN - We can certainly get the answer but I don't have it with us.

Ms WEBB - Okay.

CHAIR - This is the answer you want?

Ms WEBB - I don't think I require it. It was simply out of interest that I was asking if they had the answer available. I don't think you need to put people to the trouble of getting it.

CHAIR - Right.

Mr FERRALL - We will see if we can get it before the end of the day for you.

Ms WEBB - Thank you.

Ms LOVELL - Treasurer, I have a question about the State Fire Commission. I understand in the lead-up to the election in your capacity as Premier, you made a commitment to the United Firefighters Union that a majority Liberal government would not abolish the State Fire Commission. Is the Government committed to retaining the State Fire Commission as a statutory authority?

Mr GUTWEIN - We certainly won't be abolishing it.

Ms LOVELL - But are you committed to retaining it as a statutory authority?

Mr GUTWEIN - It's a statutory authority at the moment.

Ms LOVELL - Are you committed to retaining it as a statutory body?

Mr GUTWEIN - In line with my commitment, we will not be abolishing the State Fire Commission. I have given no thought to changing its status from anything other than what it currently is at the moment.

Ms LOVELL - So that's a yes, you are committed to retaining it as a statutory authority?

Mr GUTWEIN - Yes.

Ms LOVELL - That's good.

Mr GUTWEIN - Yes.

Ms LOVELL - I welcome that. Thank you. I appreciate it.

CHAIR - Any other questions? No.

Mr GUTWEIN - Would you like me to change it?

Ms LOVELL - No. I just said I welcome that. I'm very happy to hear that.

Mr GUTWEIN - Okay.

3.4 Government Businesses

Mr DUGAN - Treasurer, this question is about the point of consumption tax on wagering which was announced in the 2019-20 budget. Can you give us an update on how that tax is tracking and how it is benefitting the racing industry?

Mr GUTWEIN - It is tracking very well. In fact, over the course of the budget in 2021-22 it's expected to be \$14.148 million, rising to \$15.281 million in 2024-25. There is a netting effect that people forget when they are looking at this, bearing in mind that we have the totalisator wagering levy which was originally part of the structure of our payments that were included under the previous arrangement prior to the point of consumption tax (POC).

Once you net that off, the total additional revenue for the industry in 2021-22 that the 80 per cent is applied to is \$7.93 million rising to \$8.7 million over the forward Estimates. The payment to the racing industry share, \$6.344 million rising to \$6.974 million. It's going very well.

CHAIR - I was asked by a member from the other committee who has a great interest in racing - not the minister - why is the point of consumption tax paid to the racing industry 12 months after it's collected? We know that POC is collected and published on a monthly basis so why is it not paid on a monthly basis rather than the way it is?

Mr GUTWEIN - That would be an administrative matter and I would refer that to the Secretary of Treasury.

Mr FERRALL - That's how the legislation is drafted, as I understand it.

Ms CALVERT - No, it's not in the legislation. It's more that we need to know what the amount that we receive, before we provide it to Tasracing.

CHAIR - Isn't it received on a monthly basis?

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Ms CALVERT - What happened last year was that there can be corrections over the year. So, even with it being paid in arrears there was still an additional amount that came out. That was in addition. Tasracing have to provide advice to the shareholder ministers on what they're going to use it for. So, to do that on a monthly basis would be quite difficult both for Treasury and Tasracing.

CHAIR - There's a requirement to provide some guidance as to how they're going to use that money. Is that legislated? I can't remember the act now.

Ms CALVERT - No, there's a deed that's available on our website that provides the criteria. It's CapEx, animal welfare, and I can't think what the third thing is, but the deed is available on our website.

Mr GUTWEIN - That would be Stakes I think.

Ms CALVERT - Oh yes, Stakes.

CHAIR - What was the last one?

Mr GUTWEIN - Stakes, animal welfare and infrastructure, I think. That's my recollection. There was some discussion with the industry when we first implemented this. It's a year in arrears. We can't spend it, so what can we do? As I made the point to them, you can plan and Tasracing can certainly expend that money. They know it's coming. Once we'd passed through that first period then every year -

CHAIR - So the first year has been obviously more difficult.

Mr GUTWEIN - So, we're past that now.

CHAIR - So it's paid at the end of the financial year?

Mr GUTWEIN - It is. Who's the member with an interest in racing?

CHAIR - The member for McIntyre. Family connections to the industry, I think. I'm just a little unclear about this output group generally. Obviously, it's about the point of consumption tax.

I'll just take you through the footnotes related to the expense summary and then to the appropriation. The footnote in the expense summary talks about the revised payments to the racing industry and the point of consumption tax we've just discussed. The increase in -

Mr GUTWEIN - Are you in BP2 still?

CHAIR - Yes, it's page 121 in Budget Paper No. 2. Then I'll go to page 131. The increase from 2022-23 primarily reflects funding provided to Metro Tasmania to implement a column and ticketing system. When you go to the footnote (page 131) about the appropriation for it, it says:

The variation in Government Businesses primarily reflect equity contributions provided through the General Government Sector. Further

details and equity contributions can be found in chapter 6 of *The Budget* Budget Paper No. 1.

That's on page 96.

From my reading of that, not all these transfers are related to infrastructure. So, when you're taken to that chapter on infrastructure investment it seems to be a little confusing. Not all the amounts are federal grants either. So, do federal grants need to be appropriated?

Mr FERRALL - Not in all cases. It depends whether they can through the state effectively. Some do and some don't.

CHAIR - Which ones do?

Mr FERRALL - Some can go directly to individual agencies, so into the federal funding.

Ms CALVERT - Yes, some of it goes through Finance-General. I think some of it goes through the Department of State Growth. It just depends what the funding is for.

CHAIR - So, it's not all infrastructure related equity transfers we're talking about?

Mr FERRALL - The ones that are sitting there as equity transfers would all be going through Finance-General. So, if there was an account going out as effectively an equity investment that would be through Finance-General, but some components of federal funding can come directly to agencies. Health has direct funding as an example.

Mr GUTWEIN - Local government.

Mr FERRALL - Local government passes through us.

CHAIR - This is really talking about your GBEs isn't it? So, what about the money for Irrigation Tas, say, on page 97, Budget Paper No. 1, you have got the Australian Government funding \$100 million over five years into irrigation. Tasmanian irrigation?

Ms CALVERT - That comes into Finance-General.

CHAIR - It was a bit hard to follow the pathway.

Mr FERRALL - Some of them go different ways.

For its common ticketing system Metro has some parts that are equity. Some parts that are Opex, so they are in two different places. It adds to the diversity.

CHAIR - Is equity operating and equity for Opex?

Mr FERRALL - No. Equity for operating but some components for Metro that are Opex are paid as grants and a component, which is effectively equity that goes through as an equity transfer.

Mr GUTWEIN - Under the Treasurer's instruction, equity can only be used to pay down debt or to purchase or build an asset which is an asset. Anything else would be received as a grant.

**Output Group 4
Miscellaneous**

4.2 Treasurer's Reserve

CHAIR - How much of the COVID-19 provision last year that was put into the Treasury reserve was actually spent? If it is not spent this year, the \$300 million will not be rolled forward. How much was spent last year?

Mr FERRALL - About \$93 million I think.

Mr GUTWEIN - The \$93 million was an essential COVID-19 provision. There was the \$145 million. The Treasurer's Reserve was \$80 million last year from memory.

CHAIR - Have you got a list of the payments that were made out of the Treasurer's Reserve for some other purpose?

Mr GUTWEIN - I don't have that here with me. Tony might have it.

Mr FERRALL - I don't have that with me but we did agree that the Minister for Finance would table it.

Mr GUTWEIN - We are happy to provide that to the committee.

CHAIR - The payments made out of Treasurer's Reserve in the last financial year.

Mr FERRALL - There is a question on notice from yesterday for the Minister for Finance.

CHAIR - Did we ask that as well yesterday?

Mr GUTWEIN - There was certainly one in the lower house to me as well.

CHAIR - One way or another we will get it. That will be broken down to specific purpose, not just the total amount but for what area of government activity? Okay.

4.3 Miscellaneous

CHAIR - This is the government business structural reviews. I assume this doesn't relate to the work being done around TAFE, turning it into a government business. This is for the current existing government businesses.

Mr FERRALL - There could be some costs associated with the TAFE review that could be met from this, potentially.

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CHAIR - There could be some? It is a falling appropriation line, so there is not a huge amount of money in here. What is being done with it at the moment?

Mr FERRALL - Effectively, if there were particular government business reviews it enables us to do them into the future. We could utilise those funds. Over many years there has always been one or more government business that has had some form of a review. It was at a higher level from the last two or three years because there were quite significant reviews done and we have just reduced that going forward.

CHAIR - Is there any on foot at the moment, Treasurer?

Mr FERRALL - The Public Trustee Office.

Mr GUTWEIN - Yes. I think that is the only one.

CHAIR - It might soak up all your money in that line item. Anyway, there is work to be done there. Are there any others scheduled for reviews?

Mr GUTWEIN - Obviously, the largest body of work will be the changes to TasTAFE over the course of the coming year. As part of the broader election commitment made there was transitional funding was included in that commitment as well. What may or may not come out of this area would depend on what role Treasury played.

CHAIR - You may have said you might have to top that up if additional funds are required from Finance-General to support that process.

Mr GUTWEIN - The same as any other agency, if there was a request for additional funds then that would be considered in the normal course.

CHAIR - But predominantly that will be funded as skills.

Mr GUTWEIN - That will be -

CHAIR - [inaudible]

Mr GUTWEIN - The funding sits there. Obviously, at the moment there was a funding commitment made of around \$100 million to TasTAFE. That funding will flow, I would think, to the new entity. It is there to employ new teachers and provide additional infrastructure. That will go to that entity itself and there was transitional funding between \$6 and \$10 million included as part of that.

CHAIR - That \$6 to \$10 million is what would be used to actually do the work to look at a structure.

Mr GUTWEIN - To do the work and also to pay for some of the transitional costs as well.

CHAIR - New letterheads and stuff often sadly.

Mr GUTWEIN - Yes but, obviously, there is a conversation to be had in terms of industrial relations also and there will be costs associated with that.

CHAIR - Okay.

4.4 Payment to Australian Taxation Office: GST Administration

CHAIR - This is administration, payment to the ATO, GST administration. The question I'm going to ask is not specifically related to the administration of it but I wanted to go through some questions around the GST. I will just find the page in here where you provide a very good description of the challenge you are about to face.

Mr GUTWEIN - That's in the revenue chapter in Budget Paper No. 1.

CHAIR - Yes, it is in Budget Paper No. 1 on page 74. There is obviously information leading up to this illustrating the increase we are seeing currently as a result of the less challenging times we predicted last year. Even the preliminary outcomes have turned around since then. The summary on page 74 talks about the extra country over to the west, Premier, and how they have significantly benefitted by the new arrangement I think Mattias Corman probably got in place before he disappeared into the sunset. That was some of his work, wasn't it, in terms of his role in federal government at the time?

Mr GUTWEIN - He was the finance minister.

CHAIR - I am interested in the approach you're going to take into the future here because we have the guarantee that will last until the 2025-26 financial year.

Mr GUTWEIN - It takes us -

CHAIR - Sorry? 2024-25.

Mr GUTWEIN - It takes us out further than that. The guarantee ends in 2027-28.

CHAIR - I thought it was less than that.

Ms WEBB - 2026-27.

Mr FERRALL - 2026-27.

CHAIR - In the middle. Will we split the difference? 2026-27.

Mr GUTWEIN - 2027-28 is the first year.

CHAIR - The first year without it. Yes. Okay. So, another year before you can retire. I am really conscious this is going to be a real challenge for Tasmania.

Mr GUTWEIN - It will.

CHAIR - You talked about some of the modelling. I would like to go through the modelling that has been done to demonstrate the end of the no-worse-off provision and what that will mean. I know it is a few years out, but these things come around quickly and what are you going to do in the interim?

Mr GUTWEIN - I would make the point that at a national level all treasurers, apart from Western Australia and, currently, the federal treasurer are of a similar mind that this has challenges for all states, all jurisdictions. No one was happy with it, apart from Western Australia. The Board of Treasurers has taken the position that a review should be conducted in the lead up to 2026-27, the final year that we would receive payments under the guarantee. However, this will need to be a concerted effort amongst the states and territories, other than Western Australia, to ensure we can get the system rebalanced.

You would be well aware that in the lead up to the changes that were made that I argued against what was proposed and was strongly supported by Treasury.

CHAIR - That wasn't what was recommended by the Productivity Commission, either.

Mr GUTWEIN - Personally, I don't believe the outcome is in the country's best interests, to equalise to the second-strongest state as opposed to the strongest state. We only have to look at what's occurring in Western Australia at the moment. They have a floor built into their GST payments and they have a mining industry that's going gangbusters. It's no wonder that he wants to keep the state locked off from the rest of the country, he's rolling in money at the moment.

The problem with that, as you well understand, is that what that affords a government the opportunity to do, is to lower taxes or provide additional services. It will put the people of Western Australia into a much stronger position than the people of Tasmania, or South Australia or even New South Wales or Victoria over time.

We will continue to advocate very strongly for that review to occur. My personal position on this, and I believe supported by Treasury, is that we should go back to the original system of Horizontal Fiscal Equalisation (HFE) that was conducted under the previous GST arrangements.

It is not a perfect system and someone would argue it is imperfect in many ways, but it actually worked.

CHAIR - There was another model that was recommended by the Productivity Commission. I can't remember the detail of it now. Is there merit in arguing to have a proper look at what this is doing? We can see the impact of this already playing out. I imagine it would be even more stark had there not been that 'no worse off payment'.

Rather than simply going back to where we were, which may not be the best option, is it worth looking at the recommendation that was made by the Productivity Commission to say what's wrong with that?

Mr FERRALL - The Productivity Commission will review the operation and the new arrangement by 26 December. We have been arguing that they probably should be looked at sooner rather than later.

CHAIR - Bring forward that review by the Productivity Commission.

Mr GUTWEIN - As I said, the Board of Treasurers has discussed it and they would like to see it done by 2025; they'd like to see it done much sooner. And I think what we will see by then is also the empirical evidence of the system working, as we argued it would, to the disadvantage of all other states and territories. That will be plain to see. It is plain to see now.

CHAIR - I imagine it would be hard for some players not to play politics with this. You have the Labor Government in Western Australia. The Labor Government in Queensland has been a bit quiet on it. New South Wales are being pretty vocal about us being vocal, for a Liberal Government.

Mr GUTWEIN - All jurisdictions, even Queensland, have indicated concerns. I am not sure how publicly they have done so. Certainly, South Australia has, in their Budget Response. Their Treasurer was ferocious in his attack on this.

We need to remain engaged. We have until the end of the 2026-27 year for the guarantee to remain in place and, therefore, we might take some comfort that we have a reasonable flight path along which to continue to work on this. However, it is going to take a concerted effort by all the states and territories, apart from Western Australia, to get some balance back into this.

CHAIR - If the general public (outside of Western Australia) looked at some of this information that you have provided on page 74, they'd see how inequitable this is. It is an indicative modelling undertaken by our Treasury and Finance which demonstrates that when the guarantee ends in 2027-28, the Tasmanian GST will decrease by \$83 million under the new arrangements, or \$147 per person. By comparison Western Australia is expected to gain \$5.6 billion, or \$1945 per person in GST revenue in 2027-28. So, it's pretty profound and I don't know that the general public out there appreciate, not that they have a great say in how this works, but there needs to be a bit more public pressure and public awareness. No-one wants to talk about it; it is boring, you know GST is a difficult thing. No-one wants to pay it, but for our state's future it is vital.

Mr GUTWEIN - The discussions that the secretary of Treasury and I had on this, that's why we felt it was so important for the first time to actually include a chapter or page in the Budget that actually comments on this. There does need to be a broader national debate. What we will see, in fact that snapshot that you've just read into *Hansard* there, straight out of the Budget papers, indicates where we will be in 2027-28, in that first year, and the significant differential between ourselves and the rest of the country in Western Australia. Along the way because of the underwriting that's occurring in Western Australia at the moment, the strength of their financial position is extraordinary. I think it will be difficult for them to continue to defend it.

CHAIR - Five years of benefit like that will see them extraordinarily far ahead.

Mr GUTWEIN - As I say, this is where it's not in the country's best interests. It will mean that to the disbenefit of all others, one jurisdiction will be able to provide either lower taxes or increased services that the rest of the country can't.

PUBLIC

CHAIR - A couple of questions in relation to the no-worse-off payments that included the GST receipts for the year, once we were recognised as being worse off. Is this year the first year we've been recognised as being worse off?

Ms CALVERT - No, one of the reasons we've included a lot of the is information in the budget papers this year is that it's the first year of the six-year transition.

CHAIR - So, there is no payment this year, or is there? That's the question.

Ms CALVERT - No, so if you look at page 72, the notes, the Budget includes no-worse-off guarantee payments as \$60.3 million in 2023-24 and \$51.2 million in 2024-25. So, they're the only two years.

CHAIR - So, the comment here on page 73, of Budget Paper No. 1:

Under the new GST distribution arrangements, Tasmania is expected to be worse off from 2022-23 and receive no-worse-off guarantee payments of \$115.5 million...

Is that the whole payment for two years? That's just the one payment referred to?

Ms CALVERT - It is the \$60.3 million and the \$51.2 million.

Mr GUTWEIN - It is the total combined.

CHAIR - Yes, so that's all. Even looking at that, the amount that we get as being worse off, pales into insignificance as to the 'better-offers' - if there's such a word - of Western Australia?

Mr GUTWEIN - Yes, you've summed that up exactly correctly.

CHAIR - And put a new word into *Hansard*.

Mr GUTWEIN - You have.

CHAIR - 'Better-offness' or 'worse-offness'. Any other questions on what is a pretty challenging future?

Mr GUTWEIN - Over time, if you look at what Western Australia did. They effectively ran a 10-year strategy in getting to the point where there was a change. Their parliament on both sides was relatively united. Both their lower and upper houses regularly spoke out about the challenges that they faced and then a decision was finally made but it took almost a decade.

We have a six-to-seven-year period in front of us and I think it's going to be important.

CHAIR - So, we need to be vocal. That's my point.

Mr GUTWEIN - That's exactly why we've opened this up.

CHAIR - This is why the politics of the whole thing concerns me, that a view from my side of the country over here was that this was about the federal government winning seats in

PUBLIC

Western Australia in the federal election. This was shoring up the rivers of gold that would flow to Western Australia and here we are with a political decision causing national inequity.

Mr GUTWEIN - I will not dispute that.

CHAIR - So, we need to move away from the politics. Not that I'm saying you're engaging at politics at the moment, but I'm just saying that's how it started.

Mr GUTWEIN - Very simply, we're in a position now, as I say, that the current system marches us towards a set of circumstances that is not in the nation's best interests.

Ms CALVERT - Your comment earlier about the Productivity Commission's recommendation and that we ended up with something different, we had significant concerns with the model that they recommended as well.

CHAIR - All right.

Ms CALVERT - There's a significant number of papers on our website raising our concerns with that. Part of the problem with the model that the Commonwealth Government ultimately used was it was based on what we considered was flawed modelling from the Productivity Commission that they had used to develop their model. That then flowed through. Pretty much every state did additional modelling showing that the Commonwealth was probably providing a best-case scenario so we would argue that, going back to where we were pre-2018, would be the best outcome.

CHAIR - The most equitable outcome.

Ms CALVERT - Yes. Because anything you're doing to HFE to change it is effectively moving you away from that equality that you're meant to get across the country.

CHAIR - Thank you.

Mr GUTWEIN - Certainly, in my public statements I will be arguing for a return to the status quo before the change.

CHAIR - With or without tweaks?

Mr GUTWEIN - Without tweaks. There have been some tweaks in recent year which have enabled our relativity to increase but the construct of the calculations and the way that they went about their HFE calculations prior to the change is exactly where I would prefer to be.

CHAIR - And other jurisdictions? When you had your Heads of Treasury meetings are they along a similar line?

Mr FERRALL - The smaller jurisdictions -

Ms CALVERT - If you actually look at every other jurisdiction's budget paper, those jurisdictions that have had budgets this year - and WA hasn't done theirs yet - they all have

similar things in their budget papers. I have just looked at Queensland's and, yes, they've also raised significant concerns.

CHAIR - Are they keen to go back to the HFE model that was existence before this?

Mr FERRALL - Not necessarily.

Ms CALVERT - No. New South Wales, I think, would argue against that level, and has had significant concerns with any form of HFE, really.

CHAIR - They were the data state, weren't they?

Ms CALVERT - That's what they would say.

Mr FERRALL - Victoria was arguing very strongly for the original model but their treasurer now is probably softening or changing his view given the fiscal position of Victoria and probably would be arguing, or is arguing, for a model now which might be more beneficial to Victoria.

CHAIR - I guess you would expect that to a certain extent from every state, don't you?

Mr FERRALL - The biggest challenge for us is we are a very small jurisdiction with a very large pie and if you change the metrics by a small amount it can make a huge difference to us as a state.

CHAIR - Thank you.

4.9 Ex-gratia assistance

Ms WEBB - I note that the footnote here explains that the expenditure associated with ex gratia assistance in 2021-22 reflects expected payments to be made under section 55 of the Financial Management Act. We can see there, of course, that we had that boost, the higher amount here in that payment in 2020-21 of 6.2.

This year it's 4.7 so we've got a drop already. Then it drops off again back to what I think was more normal. We had a COVID sort of boost in that space if that's correct. Would you provide some explanation about the figures from last year and then this year and then the drop?

Mr GUTWEIN - Yes. I'm happy to give you that breakdown. In this year's budget, we've provisioned - there's an expectation that there would be an application for an ex gratia payment to Nyrstar in a corporate reconstruction - I think that's the right term. That's the 2021-22. In the last year there is a range of small ex gratia payments that have been made.

I won't name the individuals but, for example, there was a Home Builder Grant where an ex gratia payment was requested if they had met the necessary requirements. They fell outside of the discretion, then I provided a discretion for that. A range of small community associations and two larger ex gratia payments were made and the total ex gratia assistance - while the Budget sits around \$6.2 million - the total ex gratia assistance was \$559 150. There were two ex gratia packages that were provided to two businesses in terms of payroll tax relief in the height of COVID-19, one was TasFoods and the other was Juicy Isle. They both requested

support. They fell outside the framework for the payroll tax relief, but they were significantly impacted as result of COVID-19 on their business model and we provided some ex gratia relief during that period in terms of payroll tax.

Ms WEBB - To clarify if I heard that correctly. Although the Budget amount for 2021, the \$6.2 million, the actual amount was \$559

Mr GUTWEIN - That is the amount I have got here \$559.

Ms CALVERT - The Nyrstar one has been around for a while.

Mr GUTWEIN - So that has been rolling?

Ms WEBB - That has come across to this 4.7 and is that the entirety of the 4.7 for this financial year.

Mr GUTWEIN - At this stage 4.4 is set aside for new staff, it is part of that reconstruction.

Ms WEBB - Therefore, that 300 left over aligns with what you have put in to the forward Estimates. What would typically be expected to be in that line item?

Mr FERRALL - It is quite variable given the nature of it, it is ex gratia. We would anticipate that 300 is about that level and if you take out in 2020-21 the Nyrstar and to an extent the specific COVID-19 ones, you do start to get down to that lower level.

Mr GUTWEIN - You get much lower than that, in fact. The total ex gratia setting aside TasFoods and Juicy Isle would be, 5, 8, 11 about \$30 000. The types of things covered in this without naming names, we had one lady that made an application going back a number of years ago. There had been a mistake made in terms of a pensioner rates remission which the Government funds, but she had been coded incorrectly I think was what had occurred. Had then applied and said that, over this period of time I have not been receiving this. It was a bit of a coding issue so we provided an amount, in this case it was only hundreds of dollars.

Ms WEBB - That is the function of the line item. I understand, thank you.

Table 4.4

Revenue from Appropriation by Output

Output Group 90 - COVID-19 Response and Recovery

90.2 Local Government \$200 million Interest Free Loans

Mr GAFFNEY - Noting the footnote for this one says;

The funding assistance provided the councils form parts of the COVID-19 Response and Recovery support measures. The variation in the Budget and Forward Estimates reflects revised cash flows based on approved council loan schedules.

PUBLIC

Premier, last year we spoke about the full allocation of local government interest free loans not being taken up by councils and they are probably in a better position. I was wondering how does the take up to 2020-21 compare with the previous year?

Mr GUTWEIN - If I have a breakdown here I am happy to provide it. There was a \$150 million interest free loan provision that was made early on in the COVID-19. We then doubled down on that and took it up to \$200 million. There was \$144 million that was approved by the closure date and as a result of changing circumstances five local governments revised their requirements down by \$17.2 million, so the approved borrowings from the program were \$127.2 million.

To give you a breakdown of what they were. The 19 local government authorities had borrowings approved, there were 260 projects and initiatives including property improvements of \$53 million, road, bridge and jetty improvements of \$42.5 million. There were rates relief programs that we allowed this to be used for and there are a number of councils as you would be aware provided assistance in that regard, \$12.1 million and some other cashflow shortfalls and other operational initiatives that councils requested of \$9.2 million. Storm water improvement \$10.1 million.

Mr GAFFNEY - There are still funds left there for councils or is that capped?

Mr GUTWEIN - The program is now closed. We've met that due date because the initial \$150 was on the basis that they would spend the money in the 2020-21 year and obviously some projects have rolled over a little bit on top of that.

Mr GAFFNEY - Don't get me wrong, I think local government is very pleased with that opportunity and the scheme. One point that's been made is that they may request extensions in loan acquittals in order to ensure they can see the projects completed. Because there's been so much overheating in the industries for building and getting jobs done, they have found it harder to get their projects completed in time. Is it possible to either push out the completion timeframes required or to ensure broader messaging to local government that extensions are unlikely to be granted? I know there are some that are saying they haven't been able to complete what they got the loan for, because there are no trades people or whatever it is they need.

Do they approach you individually on that, or is there a mechanism to consider that?

Mr GUTWEIN - They could approach me directly as Treasurer or they could approach Treasury. I am not sure; do we have any that have?

Mr GAFFNEY - Even for projects that they thought were going to come in under budget.

Mr GUTWEIN - They are now a little bit more expensive.

Mr GAFFNEY - Yes.

Mr FERRALL - The Treasurer has extended the period for commencing drawdown to December 2021. Some of the local governments are indicating that they would prefer a subsidy for a longer period of time than the three years that was originally agreed. Some of those have come to us on that, and we are working through those issues.

Mr GUTWEIN - I have had no advice on that issue.

Mr GAFFNEY - That is all, Chair.

90.3 COVID-19 Provision

Ms LOVELL - I have one question on this, Premier. Is there any guidance or parameters around this provision and in what unforeseen circumstances it would be utilised? I am specifically wondering if it would only be in the case of support required if there was an outbreak and a lockdown.

Mr GUTWEIN - I am happy to give you a breakdown because it was in the 2020-21 year that we provided that provision.

Ms LOVELL - So, there is no provision.

Mr GUTWEIN - There is no provision this year. However, I'm happy to explain what occurred. We allocated \$93.4 million from that provision, with \$32 million for hotel quarantine extension costs; \$26.1 million for additional COVID-19-related health costs; \$3.2 million for costs related to the vaccine rollout; \$3.4 million for interstate quarantine costs; \$3.7 million for the Landlord Relief Fund and Rent Relief extension, which was the package that we put together there; \$3 million for public housing heating and energy efficiency initiatives; \$1.7 million for the COVID-19 Coordination Centre.

If it is okay, we will send a breakdown to the Committee.

Ms LOVELL - Thank you. Back to my question and apologies, I should have asked this in the Treasurer's Reserve line item. In terms of the increase to the Treasurer's Reserve for COVID-19-related support, are there parameters around that to say that it would only be used in the case of a lockdown or could it be used to provide support to deal with the impacts of lockdowns in other states? Or does putting it in the Treasurer's Reserve mean there is a bit more flexibility around how that can be utilised?

Mr GUTWEIN - All of the above.

As I indicated to the lower house committee yesterday, with the second order impacts that we're seeing now in terms of the border closures, especially in Victoria and New South Wales, we are considering what a package might look like for those businesses.

I explained yesterday as well there was a number of questions about 'why didn't you do this weeks ago' and 'what's occurred'. The simple answer to that is that Victoria went into their lockdown in the middle of July, which was roughly the start of our school holidays, if my memory serves me correctly - my 46 days of back-to-back work broadly started from that week. You might recall that was initially a short lockdown and I think in Victoria's case everybody was hoping that Premier Andrews would deal with it quickly and then re-open. On a couple of occasions, it looked like that was going to happen. However, here we are six weeks down the track, or thereabouts, and Victoria has worsened and I don't think that there's any real expectation that they will open up soon; likewise, for New South Wales. We will make some announcements soon in terms of how we'll support those other businesses.

CHAIR - Any other questions for that one? If not, we'll move to -

90.8 Tasmanian HomeBuilder Grant

Mr DUIGAN - Thank you. Can the Treasurer outline how the Tasmanian HomeBuilder Grant is helping more Tasmanians build, or indeed, buy a home?

CHAIR - A good succinct answer to a succinct question.

Dr SEIDEL - It's two pages.

Mr GUTWEIN - As you weren't here, I will make the point that we announced a \$20 000 Tasmanian HomeBuilder Grant which complemented the Australian Government's \$25 000 HomeBuilder Grant. These grants meant that residential building activity was brought forward, as we've seen, and we believe has supported thousands of jobs within the industry.

Tasmanians took great advantage of these schemes with 2034 applications for the Tasmanian HomeBuilder Grant having been conditionally approved. Nearly 800 grants have already been paid; 3438 HomeBuilder Grant applications have been conditionally approved and nearly 1300 have been paid as of August 13. The nature of the scheme is that the majority of the grant payments, or the remainder of them, are expected to be funded in the 2021-22 year, with the full cost to the Tasmanian HomeBuilder Grant estimated to be around \$41.4 million over that time.

I won't provide all the rest of that detail, other than to say that what is interesting is that in addition to those grants the Government also increased the cap for stamp duty concessions in this Budget as well, from \$400-500 000 to help those buying their first home and pensioners downsizing to a smaller dwelling. We've provided over \$15 million worth of relief for Tasmanians entering the market as a result of those programs.

The simple fact is it's worked. The residential construction sector is very busy at the moment.

CHAIR - Any other questions from members on that one? I think it's grants and subsidies.

Grants and Subsidies

CHAIR - I'll just lead off on this one. I assume this is yours? Finance-General - other grants and subsidies? The script refers to:

Funding of \$9.4 million has been included for Other Grants and Subsidies in the 2021-22 Budget. This includes \$1.9 million for Copper Mines of Tasmania and \$7.5 million for the Headworks Holiday to assist developers in meeting the cost of electricity and water and sewerage connections associated with the development of new residential subdivisions.

Mr GUTWEIN - You've lost me, Chair, which page are you on?

PUBLIC

CHAIR - Budget Paper No, 2, vol. 1, page 133, talks about other grants and subsidies. Regarding the CMT money, there's been an expectation for some time now of reopening. It's bit of a sad situation that we still haven't got near that point; well, who knows how near we are? Are there any caveats on this money in terms of ongoing employment, or anything that the CMT is still being provided with?

Mr GUTWEIN - I'll just seek some advice; obviously, it has been ongoing for a while and that was a package I think in total with mineral royalty relief and also some payroll tax. A figure of - is it \$20-25 million?

CHAIR - No payment of royalties when you're not getting any minerals out of the ground.

Mr GUTWEIN - I'll have to get you some advice on that but in terms of the broader relief moving forward, that was all linked to the mine being up and operating. For the exemption that can be provided for mineral royalties, they have to be in a position to provide mineral royalties. So, there's an understanding that the mine would be open and, therefore, employing. I would need to revisit that because that was put in place, I think three years ago?

CHAIR - I think it was even longer than that.

Mr GUTWEIN - It was 2017. I am happy to revisit that and provide some further detail of what that package was.

CHAIR - Yes. Particularly around the ongoing. I assume it is ongoing? It's not just a one off?

Mr GUTWEIN - I thought that there was some funding that was initially spent to assist them to either remediate or do some preliminary works to enable them to get to a position where they could open.

CHAIR - Yes. That's right, yes.

Mr GUTWEIN - I would just need to -

CHAIR - I don't think that's the same money we're talking about. It might be. I'm not sure. If you can clarify what that money is for, that \$1.9 million.

Mr GUTWEIN - I'm happy to clarify that.

CHAIR - The \$7.5 million for Headwork through the Headworks Holiday for developers, how much of that has been provided and whereabouts? For what works in what area?

Mr GUTWEIN - I will need to ask Treasury.

Ms CALVERT - That has now been done as a grant through State Growth. I think it was announced three or four weeks ago so we would need to find out from them.

PUBLIC

Mr GUTWEIN - There was an initial 10 with an additional 5, so 7.5 per year so I'm presuming that the 7.5 sits in this year's Budget and 7.5 in next year's budget. I think.

Mr FERRALL - Correct.

Mr GUTWEIN - Yes.

CHAIR - So no-one would have got it yet? Is that what you're saying? That it's in this year's Budget? So, there may not be an answer to provide to that.

Mr GUTWEIN - It would depend on when applications opened. I think that they have.

Ms CALVERT - Yes, it launched about three or four weeks ago, I think.

Mr GUTWEIN - Yes. So, it's only new.

CHAIR - Yes. So, there wouldn't have been an expenditure of that yet.

Ms CALVERT - I don't know just how quickly -

Mr GUTWEIN - It's surprising.

CHAIR - We have had this discussion before, Treasurer. Sticks and carrots are good when you're trying to get people to do stuff. There's lots of land in areas where we need residential housing, like in Circular Head and places like that. People are sitting on parcels of land that because they don't want to build something because it's in front of their house or something like that but it's in the middle of town.

This is one carrot. Say 'If you develop that significant parcel of land we'll help you here. We've got \$7.5 million to apply for to assist with that.' Are you considering also a review of the tax arrangements for land-banked land that is suitable for residential development when we desperately need it.

Mr GUTWEIN - What we're doing at the moment is we're working on the carrot. It has been a concern of mine for some time. We have 6000 hectares of land that's already zoned residential which would lead to around 50 000 blocks, I think, if the housing blocks are within the regional land use strategies

Now we are getting pressure to extend those regional land use boundaries but there is significant land that has been already re-zoned. This is the carrot. I hope that we can encourage some developers to move. Then, if we can't, then we will need to look at other options.

CHAIR - I will be interested in how effective this is in unlocking some of that land.

Mr GUTWEIN - There has been a range of suggestions in terms of reversionary zoning. Other suggestions have been brought forward. At this stage we have none of those matters under active consideration but we're working on the carrot and, hopefully, that will open up some of this land.

PUBLIC

CHAIR - If you could just confirm whether there's ever any money - there wouldn't have been any money allocated, though, surely, if it was only launched three weeks ago?

Mr GUTWEIN - Sorry, on this?

CHAIR - Yes, on the other work. Yes.

Mr GUTWEIN - We can give you that information when we find out from State Growth.

Ms CALVERT - It is called the Residential Land Rebate, if you are after the details.

DIVISION 12

(Department of Treasury and Finance)

CHAIR - This is an overarching question about budget management generally, and how the new Financial Management Act is working. It is only the second year we've reported under that framework. I am trying to better understand how some of that money coming in and out works. If you look at Budget Paper No. 1, page 62, I am trying to understand how the special purpose accounts that form part of the Public Account, why some funds go into the special purpose accounts in the first place.

I note that receipts for 2021-22 for \$2.7 billion are going to the special purpose accounts. There are more details on pages 64-66, with the breakdown of the special purpose accounts. Where are these from? I know the specific purpose grants from the federal government are only about \$1.6 billion according to Budget Paper No. 1, page 79. I am trying to figure out what goes in, and why.

Mr FERRALL - In some cases, agencies have approval to retain revenue, so those funds would be going into those special purpose accounts.

CHAIR - They were already there.

Mr FERRALL - They would be going into them through the year as well. If you have an agency that has approval from the Treasurer to retain revenue, they would go into those special purpose accounts and they would expend from those accounts as well.

CHAIR - If we look at Health, would it be the fees they charge for private patients?

Mr FERRALL - There is quite a range of areas where agencies have approval. I think Parks fees is an example. It is probably one of the higher dollar values. Almost every agency has some approval for retaining some revenues.

CHAIR - Those funds that they collect themselves are not appropriated, obviously, they go straight to that account.

Mr FERRALL - If it's Treasury approved.

CHAIR - Do the National Partnership Payments go into the special purpose accounts? And do they need an appropriation before they are spent?

PUBLIC

Mr FERRALL - They are into the Finance-General account. They go into the Australian Government Funding Management Account, which is a special purpose account as well.

CHAIR - When you look at the balance of the specific purpose accounts, as of 1 July, there was \$1.443.1 billion - this is page 66 - including the AGFMA in Finance-General of \$245 million. Are the amounts in the special purpose accounts? I keep going back to the old terminology.

Mr GUTWEIN - It was easier, wasn't it? We'd had many years understanding that.

CHAIR - That's right.

Are these amounts already in there? Do the AGFMA funds come in, ready to be spent? Is no further action needed there? If there are any unspent appropriations in the special provision account - there is no other SPA any more, is there?

Mr GUTWEIN - No.

CHAIR - Okay, we'll call it SPA for now. When there is any unspent money, it basically stays there, with approval, in each rollover.

Mr FERRALL - If an agency has a pre-existing balance sitting there, then there is a public account expenditure summary which we provide to agencies which picks up the appropriated funding and their estimated expenditure from the SPAs and that is an authority we give them to enable them to spend to that amount.

CHAIR - Is that reported publicly?

Mr FERRALL - I would need to check whether the pay summary is. It is more an administrative matter than a public reporting matter, but we provide it to the agencies and again the Auditor-General is able to review the public account expenditure summary against the agency expenditures.

CHAIR - Would there be more detail about this in the annual report of the agency?

Mr FERRALL - Not the authority itself. Clearly, there is in terms of their actual expenditures through their audited financial statements.

CHAIR - I am still getting my head around how it has been working. I do not know how these people struggle a bit.

Mr FERRALL - I am quite happy to give you a detailed briefing through another forum if that is helpful.

CHAIR - That would be helpful.

Mr GUTWEIN - I did take a question yesterday of how the new act was working, disclosures and a range of matters. I committed to writing to Parliamentary Accounts Committee and asking for PAC's view on the way it is working. I will have to revisit the

question that was put on notice to me, but I certainly gave a commitment to do it and I will be writing to PAC, which might be an opportunity to have a conversation.

CHAIR - It might be. It is a fairly new act. It took a long time to come in and to try and understand the movement of money in and out of it is still challenging to me.

Mr FERRALL - Again, hopefully for clarity, but be aware that the Budget shows the preliminary outcome which may not be the final outcome for those accounts. When you see the TAFR you will get the final outcome which will be different to that preliminary outcome. Then we will have to look at the receipts and expenditure and we will issue a further public account expenditure summary to the agencies updating from the actual outcome from the 2020-21 year. Then they are approved expenditures and receipts to give a further updated public account expenditure summary.

CHAIR - Part of that process is you are allowing them to roll forward some of their retained revenue in that process.

Mr FERRALL - Yes.

CHAIR - Back on page 62, Budget Paper No. 1, there are receipts listed into the public account from statutory authorities. What do the payments into the statutory authorities relate to? Which statutory authorities and what are the payments?

Mr FERRALL - Marine and Safety Tasmania, State Fire Commission are statutory authorities in the public account. Also, there is Inland Fisheries, MAST, Royal Tasmanian Botanical Gardens, State Fire Commission and TasTAFE.

CHAIR - All their money comes into the Public Account?

Mr FERRALL - Yes.

CHAIR - Remember when we had that debate when we did the (inaudible) MAST getting all toey about that?

Mr FERRALL - Yes, that was a member of the upper house.

CHAIR - Former?

Mr FERRALL - Former member, yes.

CHAIR - At the time.

Mr FERRALL - Rather excitable at the issue.

CHAIR - Looking at the sale of investments on page 167, Budget Paper No. 1, I am talking about. Are these the rundown investments held by Tascorp? Amounts previously borrowed but invested by Tascorp until needed or are they a rundown of the MAIB investments?

PUBLIC

Mr FERRALL - I am not sure they are necessarily either of those. The total state sector includes all entities and this is a consolidation of all the entities. I would have to get further information on which entities that is a consolidation of.

CHAIR - It would be our finance ones predominantly, or not? These are financial assets we are talking about, that bottom line.

Mr FERRALL - Most likely but I would like to check to make sure there is nothing else in there.

CHAIR - With the budget management, the new system - the mark 2 - PARIMS or something isn't it? What is the time frame and the purpose of this second part?

Mr FERRALL - I will get James to check the time frame but the first part was effectively the budget system. PARIMS is the Public Account Reporting Information Management System, which deals with the reporting by agencies of their actuals, their dealings with cash management in the Public Account. Effectively we had three systems - we had the old budget management system and we have had a Public Account reporting system which is now being replaced and we have also a cash management system. We are bringing those together so they effectively can talk and operate successfully.

CHAIR - What is the total expected cost of this second part?

Mr FERRALL - It is \$2.5 million over three years from 2020-21 to 2022-23.

CHAIR - So it should be finished in 2022-23?

Mr FERRALL - The answer to that is I hope so.

CHAIR - Are you still running two systems while this is being implemented?

Mr FERRALL - We are actually integrating systems that were previously separate. As we have discussed previously, the systems we have had are legacy systems. They are not currently well supported and they don't necessarily meet our current needs. This will bring them together and make it more seamless in terms of our cash management and budget management.

CHAIR - In terms of reporting, will we see any changes in reporting as a result of the improved functionality?

Mr FERRALL - Greater capacity for us to report with less manual intervention. The systems we have are relatively old and they take a lot human intervention to produce what you see in both the budget papers but also when we are reporting actives. With new and more contemporary systems there will be a fair degree of human intervention that won't be required, which should lead to an ability to report quicker and it should lead to greater accuracy in terms of reporting.

Output Group 1
Financial and Resource Management Services

1.1 Budget Development and Management
1.2 Financial Management and Accounting Services

CHAIR - We will move to 1.2 Financial Management and Accounting Services. I've covered a bit of that anyway in that last discussion in many respects. Again, I don't know if this is exactly where it fits but going back to Budget Paper No. 1, page 47, General government cash flow statement. I am interested in the cash flows from financial assets which is a -

Mr GUTWEIN - You're stopping and jumping.

Mr FERRALL - Which page?

CHAIR - Page 47. There's an equity disposal here right at the bottom of the page or nearly at the bottom of \$86.2 million. Does this relate to the TT-Line vessel?

Mr FERRALL - It does.

Mr GUTWEIN - That's actually the funding coming back into the budget that was provided to them for the initial deposit, I think. Then when things changed that's the money coming back into the budget, into the account - the vessel replacement account, I think.

Mr FERRALL - Under the TT-Line Vessel Replacement Fund legislation, because the initial purchase of the vessel didn't occur, TT-Line was not able to retain that funding and so they had to put it back.

CHAIR - Back into Tascorp.

Mr FERRALL - It was done as effectively - like a transaction reversal which is why it ended up accounted for.

CHAIR - Okay. On page 97 it talks about the TT-Line infrastructure investment and right at the bottom of the page it says -

An initial contribution of \$128.3 million was provided in June 2021 to meet the first contractual payment. Remaining funds will be provided over three years.

Is that for the current vessel now?

Mr FERRALL - Yes.

CHAIR - This reversal here doesn't relate to that; it relates to the previous one that they had to pay back?

Mr GUTWEIN - Coming back in. Yes.

PUBLIC

CHAIR - Okay. Right. On that, what's happening with the old *Spirits*? Are they being traded or sold or?

Mr GUTWEIN - We'll take them to market at the appropriate time.

CHAIR - Once the others are ready to go.

Mr GUTWEIN - Yes.

CHAIR - I assume the funds for the ferries would have been paid in euros?

Mr FERRALL - Yes.

CHAIR - Is there any hedging arrangement?

Mr FERRALL - There are, yes.

CHAIR - Yes. You had to re-enter into agreements with this new -?

Mr FERRALL - The hedging arrangements that were in place previously were based on a certain set of timing of the payments. With the new set of arrangements that are in place now - and I would have to go into the Tascorp end of things to answer the question as to where they're at.

CHAIR - Okay. That's a question for another time then. We've made one of the first three payments. Is that correct?

Mr FERRALL - Yes.

CHAIR - Yes. When are the other two due and do they appear here in the budget papers? I couldn't find where I thought they might be.

Mr FERRALL - No, they won't appear in the budget paper because the budget paper largely deals with the general government sector and the payments will be coming from TT-Line and also TT-Line is borrowing to make those future payments as well.

CHAIR - All right.

Mr FERRALL - You will see that in the GBE scrutiny when you look at TT-Line and/or Tascorp.

CHAIR - Okay. It's not even in the total state sector? It doesn't appear there?

Mr FERRALL - Sorry, the transaction would be, yes.

CHAIR - When are the next two payments due?

Ms CALVERT - The first one was \$128.3 million. There's \$21.7 million in 2021-22; \$345.9 million in 2022-23, and then another one in 2023-24 and another one in 2024-25.

CHAIR - Do they appear in the total state sector financial reports?

Ms CALVERT - It would only be the funds that come out of vessel replacement fund.

Mr FERRALL - They would be in there. In terms of doing the total state sector, we do the forward years, effectively, by survey. We survey TT-Line and all of the entities. It should be in there but if they haven't reported it in surveys we've given them to present the total state sector, it might not.

CHAIR - Can you check whether that does appear there?

Mr FERRALL - Yes, we could find out pretty quickly. It should be in there. I am reasonably confident it is.

CHAIR - I couldn't find it.

Mr FERRALL - You have very large flows, when you start to go into it.

1.3 Shareholder advice on government businesses -

CHAIR - You might have been asked this downstairs but I don't take notice of what happens in that place. We don't, during Budget Estimates, because we are busy here all day. This is regarding shareholder advice on government businesses, monitoring and provision of advice on government businesses. Are there any discussions about government businesses being sold?

Mr GUTWEIN - No. I have ruled that out.

CHAIR - We talked about this earlier with the advice on TAFE and making TAFE into a GBE. Is there work in this line item that covers that as well?

Mr GUTWEIN - In terms of [inaudible] Treasury is playing a role in development of the fit-for-purpose structure of what the government business might look like.

Ms CALVERT - It is being managed out of the Department of State Growth but that team is providing advice to me, and I am on a working group with a number of other agencies.

CHAIR - You will probably tell me you don't have this information yet. If you look at Table 12.3, Budget Paper No.2, Vol.1, on page 303- performance information, table refers to 'variance between Budget estimate and actual GBE/SOC returns. The footnote states that 'Due to the timing of the 2021-22 Budget, no actuals were available for 2020-21'. Do we have that yet? I do note that in 2019-20, the actual was only 2.9 per cent and the target is less than 5 per cent. The year before it was 5.4 per cent. Are we better at predicting what the returns will be?

Mr FERRALL - The answer would have to be no. It is quite challenging to estimate the returns from GBEs and state-owned companies, as you can imagine. For Treasury to have a performance measure in this area is quite challenging because we are not managing those businesses and largely, in terms of their estimated returns, we pick those up from their corporate

plans. I would not go as far as to say we are getting better. It's not a bad outcome when you only have a variation of 2.9 per cent given those circumstances.

Mr GUTWEIN - But it does give some confidence in the underlying corporate planning process that goes on in businesses because if you land within that less than 5 per cent, the corporate plans that are put up, which we rely upon, have generally been pretty close to the mark.

CHAIR - Only two areas of performance information really relate specifically to your area, I think? Maybe they all do to a degree; but they are really not very outcomes-focussed. It is really counting activities except perhaps for that last one, to a degree.

Mr FERRALL - They are; but then things like Treasury managed property vacancies, we try and keep that obviously as low as possible. We do have a significant role in managing those vacancies so I think it is reasonable that we have a performance indicator against that.

CHAIR - Has COVID-19 had an impact on that, in terms of more people working from home, has there been a down-sizing of the office space on the back of that?

Mr FERRALL - Not explicitly or overtly. I can comment probably from a Treasury perspective rather than across all agencies. I think somewhere in excess of 50 per cent of our staff now work from home for some of their working week and many agencies, or most agencies, would have a similar increase in individuals who work from home. We are not seeing though, at this point, a significant reduction in the footprint of our office accommodation and I guess there is a variety of reasons for that. Probably, as we go forward in the medium term, we will probably see more shared accommodation, and probably see people moving to some of the arrangements that you see with some of the larger banks and other entities, where you have hot-desking and other things. Probably, over time, that would lead to a lower footprint needed by government.

CHAIR - There is no plan to downsize?

Mr GUTWEIN - No.

CHAIR - Any other questions members? We will move onto Economic Policy and Advice.

Output Group 2

Economic and fiscal policy advice

2.1 Economic policy advice -

Mr DUIGAN - This relates to the provision of advice international, national, Tasmanian economic conditions. Perhaps the Treasurer would like to potentially share the forecast of those economic conditions that are relied on in the 2020-21 Budget?

Mr GUTWEIN - This year pleasingly, growth from GST is expected to be 4 per cent and then 2 per cent in the coming year. We have projections of 2.5 per cent in each of the two outlying years those years - but they are only projections. I think it is a fair comment - and Tony, pull me up if you think it is not; but over the course of the last 12 months, and especially

through last year, if you had put any three economists in the same room and asked the same question in terms of where we would be either domestically, nationally or internationally, you would get three different answers.

I think we are starting to return to a more of an equilibrium, in terms of the state that we are in; and I think we have a better picture now, for the first time, than we have had over the last 12 months. In fact, I know many of the discussions over a long period of time with Tony last year, as we were trying to frame up support packages, trying to guess where our economy might be, and also where the country's economy might be especially in terms of GST, it was very difficult.

Treasury took a relatively conservative approach, and I think that was very sensible as we worked our way through it. I think with this Budget, I see more upside now. I am relatively positive about where we are heading. In fact, if you look at what is occurring throughout Europe and the States now, even with significant case numbers, but with significantly increasing vaccination rates, communities are starting to return to a more normal way of life and with that comes a more normal way of spending.

What we are going to see in Tasmania though and I come back to that point I made earlier, when there are jobs here our population increases. That is a statement of fact and empirical evidence demonstrates that, but we will also have that push element that is going to be working as well.

We will see increased migration and as a result we will see increased challenges as well. Our housing market will remain strong. Around 65 per cent of Tasmanians own their own home and we have one of the highest rates of home ownership on a per capita basis across the country; the highest I think. That is a positive in terms of equity values, but it will create challenges in terms of providing housing across other sectors. Those sorts of things will be challenging as we move forward but relatively speaking, certainly my view the economic forecasts are more than achievable and there is a relative amount of upside in those forecasts.

Mr FERRALL - I am not sure I would be as optimistic as the Treasurer, because my job is not to be as optimistic as the Treasurer. What we have seen over the last 12 or 18 months has been unprecedented support by the Commonwealth Government, state Government and governments right around the world. When we were looking at forecasts, particularly early in the pandemic last year, many of those support mechanisms had not even been identified or thought through. When they were identified or implemented, as an example the Commonwealth, there was no precedent of how effective those mechanisms would be. That made it quite challenging and what you saw over the last 12 or 18 months is all Australian Treasuries and the Australian Government continually revised up their forecasts from early in the pandemic as we went forward.

As to where we are now and I suppose why I would put a caveat around the black hat, is we are still living and working with COVID-19 and the impacts of it in New South Wales and in Victoria have not come through yet. If they are similar to what we saw previously in Victoria where they had shutdowns and then bounced back very strongly, I would be of the view that our forecasts will prove to be pessimistic. But if you see a scenario where the broader impacts of COVID-19 in New South Wales and Victoria and potentially Queensland have a greater impact, then we will be looking at potentially revising our forecasts.

I do not think anybody would take a bet on the New South Wales/Victoria/Queensland and other scenarios at this point in time.

Ms WEBB - To come back to the line item and the allocation that is there, did you want to provide some basic information about what that allocation provides us with?

Mr FERRALL - This is economic policy advice. The areas involved in this have undertaken forecasting and modelling.

Ms WEBB - I can read the little description there. What is funded with that money specifically, staffing?

Mr FERRALL - Direct employees, roughly 12.2 employees; an overhead component of a cost of about 6 employees. The people involved in this are in more than one branch, so an allocated model, but it is largely the Economic Policy Branch department of Treasury. So, very few other expenses other than people who provide the necessary advice.

CHAIR - Back to Budget Paper No. 1, page 23, just a little bit of commentary here about your recent performance estimates and forecasts of the Tasmanian economy and says:

This chapter presents Treasury's estimates for key Tasmanian economic indicators 2020-21 financial year, forecasts for 2021-22 and 22-23 and projections for 2023-24 and 2024-25.

So, the projections it says differ from forecasts, and if it is new, this is a change in our Budget papers.

Mr GUTWEIN - In what way?

CHAIR - From projections to forecasts.

Mr GUTWEIN - We used to just forecast one year and then project three and now we are forecasting two and projecting two.

CHAIR - Yes, but the question is, is this change based on the uncertainty COVID-19 presents - this is an approach relatively common across Australian jurisdictions - but why the change? I do not really understand why the change?

Mr GUTWEIN - Treasury are actually forecasting an additional year to what we have done historically. Normally we would only forecast the budget year and then revert to projections for the three outlies. They have extended themselves to forecast -

Mr FERRALL - We are into the first year of the forecast already. We took a decision we would effectively go another year. We are really looking into a period of 18 months as to nine months. That was really the decision we took. Whether we do two years next year will be something we will think about.

CHAIR - So you may revert back to the way it was, because of the earlier Budget?

Mr FERRALL - We may, yes.

CHAIR - It is really about the timing of the Budget that has driven this, more than anything?

Mr FERRALL - In part, yes.

Mr GUTWEIN - It would be fair to say there have been some independent economists calling for forecasts to be run right across the forward Estimates. The likelihood of anybody being able to realistically forecast across the four years in the current set of circumstances, especially, last year when a number of these claims were made. To be frank, it is a ridiculous proposition. Treasury extending itself for this additional year I am very pleased with, but again things are changing so rapidly.

CHAIR - I just wanted to understand the basis for which the change was made and the timing. Any other questions members? If not, we'll move to intergovernmental financial matters.

2.3 Intergovernmental financial matters

Ms WEBB - Thank you. It is fairly straightforward I would think. Noting the explanation for this output is it relates to provision advice and all intergovernmental financial matters, including support of the State Grants Commission. The allocation there is around \$2.5 million this year and across the forward Estimates. Do you want to provide us with a breakdown of that, or an explanation of where that is allocated and then the key areas of focus, at the moment, for that work?

Mr FERRALL - Without repeating what is in the Budget papers, but certainly, policy, research, development and advice. Some legislation is developed in this area. National reforms. Intergovernmental agreement management. All of the intergovernmental agreements are considered by this group of people. As you mentioned, Commonwealth Grants Commission. There is an annual process and we are involved heavily with that, but also State Grants Commission. The individuals that support the State Grants Commission work in this area and if there are particular local government financial issues they would also be considered in this area.

In terms of a costing there are about 12, or 11.9 direct employees and about six costing us in overheads. It is a similar-sized branch effectively to the Economic Policy branch we indicated earlier.

Ms WEBB - Is there anything in this year's program of work for that team, or those roles worth highlighting for us in particular?

Ms CALVERT - As Tony said, this team helps out on negotiation of Commonwealth agreements. One of the big agreements on track at the moment is the skills agreement currently happening. Another thing that's come from COVID-19 is you will have noticed National Cabinet meets regularly, CFFR - the Board of Treasurers, all Treasurers except the Commonwealth Treasurer - now meet on a monthly basis. It used to be twice a year and there is quite significant work program involved now. There are a number of COVID-19 related economic and other reforms all the state and the Commonwealth are working on together through those processes which can be quite time intensive.

Ms WEBB - Are those additional COVID-19 driven matters required extra resourcing or are managed within the existing resourcing?

Mr FERRALL - Pretty well within existing resourcing.

Mr GUTWEIN - When you look at the numbers of people who are employed in some of the larger states' treasuries focused in these areas, we are talking up to hundreds of people in some cases. The dozens we have working in the Tasmanian Treasury do an extraordinary job. As Fiona has said, we have the Board of Treasurers now requiring work to be done for CFFR, the National Treasurers' conferences are coming monthly and with National Cabinet everybody is running hard every week. There are always matters that need involvement. Our Treasury has done an outstanding job over that period.

CHAIR - We might have a break from the Treasurer now because I know the Auditor-General is outside and we will come back and finish Treasury.

Mr FERRALL - You had a question earlier. The TT-Line is in there. You can see it if you look on page 155. The total non-financial by sector. I wanted to check before I told you. If you look at the purchase of non-financial assets you can see in the 2022-23 and 2023-24 year it picks up.

Ms WEBB - Yes.

Mr FERRALL - You can pick it up in the total state cash flows similarly on page 167, the same statement, you can pick it up in there.

CHAIR - What page?

Mr FERRALL - Page 167 which is only a consolidation but you can see how the purchase of non-financial assets also.

The Committee suspended from 3.48 p.m.

The Committee recommenced at 3.51 p.m.

Output Group 1

Public Sector Performance Accountability

1.1 Public Sector Performance and Accountability

CHAIR - Thank you Rod for coming. If you would like to introduce yourself and your team and we will have some questions for you regarding your area.

Mr WHITEHEAD - I am Rod Whitehead, the Auditor-General of Tasmania. The Deputy Auditor-General, Mr Gary Emery; and Ms Patty Johnson, Assistant Auditor-General of Corporate Support and Strategy.

PUBLIC

CHAIR - Would you like to make an opening statement about your budget and anything else you would like to add and then we will have some questions.

Mr WHITEHEAD - The Tasmanian Auditor Office assists me as an Auditor-General to provide an independent view of the financial and operation performance of state entities.

This is achieved through the performance of financial audits, performance and compliance audits and other examinations and investigations involving state entities.

The office's outputs are aggregated under one output group, called Public Sector Performance and Accountability. Funding for this output group is sourced from fees charged for the performance of audits of financial statements of state entities and all the subsidiaries of state entities and other audits we undertake by arrangement.

Appropriation revenue to cover the performance audits, compliance audits, examinations and investigations and reporting to parliament on the results of our audits and reserved by law appropriation to cover my salary and any travelling allowances and other allowances applicable to the head of a state agency.

For 2021-22 the appropriation for the Tasmanian Audit Office is \$2.167 million for operating services. An increase of 2.7 percent on the 2021 appropriation.

The reserve by law appropriation for 2021-22 is \$526 000, an increase of 1.9 percent on the previous years of appropriation. I should point out for that reserve by law appropriation, only 84 percent of the appropriation was drawn upon for 2021.

CHAIR - Ok, you rolled some forward.

Mr WHITEHEAD - No. We just do not spend it all. There is no carry forward for that amount.

Mr GAFFNEY - We are fortunate, I suppose we get to see yourself and members of your office on a more frequent basis during the year when you report, so that is handy. And notice over the next forward Estimates there's about \$50 000-\$60 000 increase estimated.

What bearings and impact did COVID-19 have on your office and your work over the last 12-18 months?

Mr WHITEHEAD - I will talk from an operational perspective first, in terms of the impact on our staffing structure and also our operations and then I will talk about the impact on our broader program.

In terms of the impact on us, we are fairly fortunate in that a lot of our workforce actually works remotely from the office and that is working at other state entities. When COVID-19 actually came in, the transition to work from home environment was relatively seamless. I say relatively, because there still was a fair bit of activity in particular Patti Johnson and her team had to support our people in moving to that work from home environment.

The initial outbreak of COVID-19, as other agencies were also accommodating their people in working from home, there was a bit of a slowdown in our ability to complete our

work. People had other priorities in making sure that their people were able to continue to work so that did have an impact on some of our ability to complete our work.

From our financial perspective, that slowdown in work did impact on some of our revenue generation, particularly our financial audits. It's all based on the hours that we put to particular jobs, that is what drives our revenue. In terms of our cost structures, it didn't really have a big impact on our cost structures other than the fact that we did save some money, most notably around travel. We weren't actually travelling around the state to visit various state entities over that period of time.

Mr GAFFNEY - Interesting from that working from home, has that changed now? Has it altered the way you manage your staff now?

Mr WHITEHEAD - To some extent it still has. We came back to the office in July last year so since that date we have had the ability for people to come back and return to work in the office. Obviously, we had to take into account any distancing requirements so we couldn't accommodate everyone in the office at one particular point of time. We had a rotation going where people either worked from home, worked from a client's site, or worked within the office. They were essentially spreading themselves across three work locations.

Mr GAFFNEY - You mentioned FTEs. Has there been any change in staffing from last year to this year? If so, how many and what, part-time, full-time, that sort of thing?

Mr WHITEHEAD - Across the board, our FTEs remained relatively constant over the last three years and that averages between 41 and 42 FTEs. In more recent months, we have noticed a downturn in the FTEs across the office and a lot of that is largely driven by the competitive nature of what's happening across Australia more broadly in access to auditors. That's also driven by the closed borders.

A lot of the larger private and public audit offices are competing for resources because they can't attract people internationally to come and work for them during the busy times of the year. That also has an impact on us. For example, we've lost about four people in the last three months who have relocated to the mainland to work.

Mr GAFFNEY - Gender balance within the organisation?

Mr WHITEHEAD - Gender balance, I don't have the exact numbers for gender balance in front of me. I have the FTEs.

Ms JOHNSON - Do you want me to -

Mr WHITEHEAD - I think if you've got those figures I will let you answer that one.

Ms JOHNSON - Roughly it stays about the same from one year to the next so it's around 40 per cent female to about high 50s male and a lot of that has to do with who applies for certain jobs at certain times. We have a diversity plan in the organisation that we follow but that's roughly around our percentages from one year to the next.

Mr GAFFNEY - The three or four positions that have been lost, gone to the mainland, have you put out expressions of interest for those jobs?

PUBLIC

Mr WHITEHEAD - Yes, we are advertising. We've almost had a recurrent advertising program for vacancies across the office because in some circumstances we actually haven't been able to fill some of those positions. We've had to wait a short period of time and then re-advertise to see whether we can attract a candidate.

CHAIR - Advertise in New South Wales and Victoria now. There are probably a few who want to come.

Mr WHITEHEAD - We've been fortunate. We have picked up a senior person in the office who did come from Victoria but at certain levels we've been unsuccessful in filling those vacancies.

Mr GAFFNEY - When you put out an expression of interest for your last job, how many applicants did you have and what was the gender balance?

Mr WHITEHEAD - I could probably give you a couple of examples. We've recently advertised for some graduate positions. I believe we have upwards of 50 applications for graduate-type positions. For more senior positions - and, again, probably an example in our performance audit area, we've recently advertised for a senior manager. We've had three applications for that role. All three were female.

We've recently advertised for a manager in our performance audit area; we've got six applications and four of those were female. In my team of performance audit, we have seven staff and I'm one of only two males now in that unit so we're very heavily biased towards females in our section in performance audit.

Mr GAFFNEY - Were those applicants from within the organisation going for a higher role as a manager or were they external to the organisation?

Mr WHITEHEAD - In the case of the senior manager position there is one internal applicant and two external. In the case of the manager position they are all external.

Mr GAFFNEY - Thank you. No more questions for me, Chair.

CHAIR - Regarding the appropriation guide, it is really just to manage the office as it has been, there is no additional capacity for additional work. We know that COVID-19 added a range of other projects to your schedule of work. Is there other funding that you are seeking that you have not been able to get? Do you need a greater uplift in your funding to enable you to actually undertake the work and to attract the staff to those senior positions?

Mr WHITEHEAD - There are probably a couple of elements of the questions that you have asked there, Chair. I might start off with the general appropriation that we have received and the increase in that to begin with because the general increase in the appropriation for the conduct of performance audits examination and investigations, that has averaged about 1.84 per cent over the last four years. That is actually less than our salary cost increase has been across our pool of people. The reason for that is that we are locked into the state service award increases but we also have people moving through bands.

Therefore, the increase has been higher than the appropriation increase that we have received. We are falling behind. The only way we can mitigate that is either through reductions in our operational expenditure and, again, as I mentioned, COVID-19 probably assisted with that to some extent because we restricted our travelling. Now that we are travelling again we are finding that our expenses are starting to increase. There is an expectation from the entities that we work with that we do attend face to face periodically that we do not just do all the audit work virtually. That is putting a bit of cost pressure on us in our operating expenditure.

Essentially, it is squeezing our human resource component of the office and at some point, it will mean that we will need to look at either changing from permanent positions to fixed term positions to help manage that or alternately longer term it means a reduction in head count.

CHAIR - Have you made that point in your budget submission to the Treasurer?

Mr WHITEHEAD - A lot of our budget submissions have been trying to identify additional sources of funding that we may actually achieve and therefore specific project related activities that have identified. There have been a number that were put in place or requested over the previous years. For example, this year we put in a budget request for proof of concept for the implementation of Dunner Analytics Audit Approach but we were unsuccessful in that.

CHAIR - What value was that?

Mr WHITEHEAD - That was \$120 000.

CHAIR - Not a huge amount in the however-many million-dollar budget.

Mr WHITEHEAD - No, not in the big scheme of things. We have also put in funding for animation investigations and reviews that was back two years ago, that was for \$200 000. I have a requirement to prepare an annual plan of work that advises the parliament the audit projects that I will be doing at the beginning of each financial year and our commitment is to filling that plan of work or filling the commitment in that annual plan at work. That means that my ability to undertake additional investigations or examinations that might arise from time to time becomes more limited if I want to fulfil that commitment in that annual plan of work.

The only way that I can do those other examinations and investigations, because they are not funded separately, is to actually stop doing something in that annual plan of work. I have done that in past years but over the past 12 months I have not undertaken any special investigations or examinations partly because of our commitment and the annual plan of work to do a number of COVID-19 related audit reviews and performance audits.

Mr GAFFNEY - Interesting you said that you were still doing the reports that you had to do, you had some savings because you weren't travelling but there is an expectation for face-to-face. Was not meeting face-to-face having an impact on the output or the quality of the work that you are doing? Is that going to have to be considered a different way of operating if it does save some money? Therefore, the face-to-face may not occur so much because you were still doing reports, saved you money. So, from COVID-19, one of the outcomes of that is it expected that you meet face-to-face? I know there will be some situations in which you will have to. Is that changing the way you are operating?

Mr WHITEHEAD - It obviously has had a change in the way we operate. The interesting thing about undertaking an audit is that it's not only the information you receive either electronically or that is handed to you. It's also what you hear, and what you see, and the unsolicited comments people might make to you during the course of an audit that, in some cases, provide a lot of insight.

The risk of doing audits purely remotely is that you don't get that opportunity to pick up on those nuances that you might observe when you are physically onsite at an entity's location. Again, in some cases, without that sort of interaction you are having with agency staff, you are not picking up on those other comments they might otherwise share with you during the conduct of an audit. Our overall intelligence that we might gather in conducting an audit would be much more restricted email channels, those communications through Teams and other such platforms.

Mr GAFFNEY - Thank you.

CHAIR - You do your plan of work, and as a member of PAC it is pretty clear that you fully commit to the amount of work you think you can do. If something comes up by way of referral from a member of parliament, the public, the government or even your own decision to bring up something that has occurred, then you would have to push something out or defer it. Should there be an uplift in your funding to enable you to have capacity to undertake those things?

Mr WHITEHEAD - If that capacity was there, it would provide that ability to know there was a source of funds we could use if there was something over and above the annual plan of work we wanted to undertake. If that capacity was there to the extent we didn't use it - if we didn't identify any particular examinations or investigations we wanted to undertake - and if that funding was by way of an appropriation, then it would lapse, so we wouldn't draw down on it. It would be, from my perspective, reassuring to know I could fulfil the commitment I have made in the annual plan of work and still have those resources available to undertake those additional examinations and investigations if they were warranted.

CHAIR - I should probably know the answer to this and I don't. Can you apply for a RAF?

Mr WHITEHEAD - We can apply for RAF.

CHAIR - Have you ever applied for a RAF?

Mr WHITEHEAD - We have?

Ms JOHNSON - We have. In the previous Auditor-General's time we were asked by government to undertake a specific investigation and we were provided a RAF at that stage. We were able to request additional funds for the recruitment of our current Auditor-General.

CHAIR - You are not sure how it would go if it was to do extra work that may shine an adverse light on an area of government activity?

Mr WHITEHEAD - My approach to the appropriation is that the parliament sets the appropriation level, and I tend to run the office within that appropriation. That means that if I do extra work it is at the expense of something that comes out of the annual plan of work.

CHAIR - Do you have anything else you would like to add?

Mr WHITEHEAD - No, thank you. I appreciate the opportunity to come and talk today.

2.4 Renewables, climate and future industries Tasmania -

Dr SEIDEL - I don't have any specific questions and I will open it up to other committee members.

CHAIR - I note this is a new area. The output relates to provision of advice on strategic policy matters relating to renewable energy and climate change, to the Premier, Treasurer, Minister for Climate Change and Energy. That will soon go across three portfolios. The output also provides support and provision of for major innovative energy projects, including Battery of the Nation and the Marinus Link.

If it is not appropriate to ask these things here, I can ask them through another forum. However, I did ask a question last week about costs associated with the legal action regarding Basslink being one of our key sources of renewable energy transfer to the other parts of Australia and buy-in when necessary. I note that the Government was awarded \$38.5 million in December 2020 plus costs and interest of \$8.24 million in June 2021, a total of \$46.74 million. The answer I received last week was that it hadn't been paid to the State from Basslink.

I wondered if that liability that is owed to us was recorded in the preliminary outcomes?

Mr FERRALL - I don't believe it is but I will need to check.

CHAIR - It is an outstanding liability that has been awarded to the state?

Mr FERRALL - I will need to check how it is treated. It has been awarded but there is still a bit of distance to go before we get the money.

CHAIR - Thanks.

Mr FERRALL - I will need to check how it is treated in TAFR.

CHAIR - The legal costs to general government to date have been \$16.66 million. I was informed of that in the response last week. Where are the legal costs paid out from?

Mr GUTWEIN - State Growth.

CHAIR - State Growth, is it?

Mr GUTWEIN - State Growth is where Renewables Tas is currently housed and they provide advice to the Minister for Energy and Emissions Reductions.

CHAIR - In that case, what does this line item actually provide? It is the appropriation for this year which is now just over \$1 million, then just over \$2 million next year.

Mr GUTWEIN - It's worthwhile for me to talk about the construct of Renewables, Climate and Future Industries Tas. Over the last couple of months, in discussions with the Secretary of Treasury, when you look across government, there is not an area of government that is not touched in some way by either climate and to some degree, renewables. We have a range of supports have been coming to me as Treasurer and Premier in terms of shareholder business advice as a shareholder minister of both Hydro, TasNetworks and Aurora. A range of advice is provided to the responsible minister in those areas as well.

When you take a whole-of-government approach, in the Budget we have provided additional funding for Metro for example, in terms of the electric vehicle or hydrogen bus trials. We have work going on in DPIPWE, in terms of carbon sequestration, carbon farming. We have the energy businesses, Hydro and TasNetworks primarily, that are looking at Marinus and Battery of the Nation. We have the Hydrogen Action Plan which is run out of State Growth and is providing support for those businesses to work through those feasibility studies.

We can generate 100 per cent of our energy from renewable sources now, and we have a plan to get to 200 per cent. That matches well with the fact that we have one of the best climate emissions profiles in the world. It appeared to me, and to the Secretary, that there is a need to harness right across a whole government view in terms of the strategic advice we received.

What will occur with this is, in effect, Renewables, Climate and Future Industries will receive its board and lodgings from Treasury, but the CEO, Anton Voss, will be responsible directly to me as Treasurer and will report as well to the Minister for Climate and also the Minister for Renewable Energy and Emissions Reductions. The role of that agency, when it is established, Renewables Tas and the Climate Change Office out of DPAC will both come across to it.

CHAIR - Will it sit in the Climate Change Office or the Treasurer's Office?

Mr GUTWEIN - It will be in the division of Treasury. As I say, board and lodging provided by Treasury, but it will be responsible directly to Premier, Climate Change Minister and Renewables and Emissions Reduction Minister.

With the emissions profile we have and the work that's going on and I know you have had discussions with Brand and with Todd Babiak - there is a moment here for Tasmania - and I am very firmly of that view - what I see as being very important is we put in place the appropriate supports to receive the necessary strategic advice to ensure we grasp that right across Government.

This agency, if I can call it that, will provide strategic advice to myself and the minister in terms of our engagements with Hydro and our businesses in terms of the projects they have in front of them. But also, across Government in how we engage with different agencies and departments and maximise their efforts also, though in a concerted way that creates synergies across Government.

The report from Dr Watt - which is a good report of the review across the public sector - makes the very key point we operate as silos. We have effectively a 1980s operating model across Government. This is too important and it is the first step in ensuring we take the whole of Government view.

CHAIR - That leads me to the next question and it does make clear reference here in the Budget papers to advice on innovative energy projects including Battery of the Nation and Marinus Link. Will the work be done in this section regarding the income from Marinus into our energy GBEs? We were told in the Public Accounts Committee that no work to date has been done estimating that income. Is this work going to occur?

Mr GUTWEIN - The Marinus proposition is largely built on the fact there are two key reasons. One, we can provide more renewable energy through additional wind development in Tasmania into the national grid, but the most important asset we have is the firming capacity of the Hydro.

As we see wind and other renewables developing, which will occur across the country - that is going to happen as the country starts to step out of coal - our assets along with Snowy are going to be almost priceless. What we will be doing is, in effect, firming the national grid out of Tasmania in concert with Snowy.

The Marinus proposition stands up. I do not think the country can transition effectively to a new renewable energy base, because the renewable investment that will occur on the mainland is largely going to be in intermittent generation. It will be wind or solar. Wind has built 1000 megawatts and even the wind resources that we are the best that you can generate is going to be around 450 megawatts worth of wind, but intermittently. Likewise with solar. In most cases, it's below 25 per cent efficient. Our Hydro is so important in that overall transition.

The hydrogen assets we have or the opportunity for hydrogen, we have a range of proponents that are now either involved with feasibility studies or in terms of Fortescue who are proposing much grander visions. As those hydrogen developments occur, we will need to bring online more wind energy. As I said yesterday, quite clearly to the committee, we are looking at all options in relation to that.

It might be that Hydro or the state might invest into more wind. Ideally, we would look to bring on wind out of the private sector, but there will be a role for the state to play in that as we bring on that additional renewables.

CHAIR - Isn't it a fact though, that battery storage is becoming much more affordable. It is still an expensive proposition at the moment, no one denies that, but it is being much further developed on the other side of the body of water that will see greater stability in the system through the battery storage.

That is the way they are designed, to provide some of that and you have not mentioned batteries at all in this whole picture.

Mr GUTWEIN - No, I have not. The efficiency of batteries will obviously increase over time, but in relation to the battery storage required to run a lot of the industrial processes which we see up and down the eastern seaboard and the amount of battery storage to actually provide the stability for the grid at that scale, we are a long way off.

That is where the firming capability of the switch-on, switch-off effectively of the Hydro assets we and Snowy have, is going to be so important.

CHAIR - With regard to the security for the state then, I notice the *Australian Financial Review* recently reported the APA were running their ruler effectively over Bass Link because of its quite dire financial state it is in the moment with a possible purchase in mind.

Because Hydro Tasmania has the contract for the next 10 years and an option for another 15, APA needs to know what Hydro Tasmania is doing. Has the Government had any approaches to make a determination or a direction with regard to the out 15 years, not the 10 years we are in at the moment.

Mr GUTWEIN - Obviously, there is a lot of discussion with regard to the future of Bass Link. It would not be reasonable for me at a committee hearing to go into the machinations that have been going on with regard to that, other than we are determined to ensure we protect the state's interests as we work our way through this.

Energy security is not in question here and I make this point very clearly. Even if Bass Link were to become insolvent, that asset does not get taken away and if it were to go into receivership, someone would run that asset.

CHAIR - That is not what I am asking. Hydro has an opportunity here to purchase it.

Mr GUTWEIN - Our energy security is not at risk as a result of any of the machinations with Bass Link and that is obviously one of the principle first considerations for the Government.

With regard to how this plays out, it would be unreasonable of me to actually lay out the Government's strategy or position at this table.

CHAIR - From the publicly available information, the Government and Hydro Tasmania are owed and yet to be paid around \$100 million by Bass Link. That is across the whole determination through the arbitration process. This is all publicly available.

That has not been paid and we understand one of the reasons it has not been paid is because there is not much money in Bass Link to pay and that is why APA are circling. That would be a sizable deposit if someone was to buy it. Is that something you would look at with Hydro?

Mr GUTWEIN - It would not be reasonable for me to have that discussion here, Ruth. Our principle focus is on ensuring we maintain energy security.

CHAIR - There is plenty of water in the dam at the moment.

Mr GUTWEIN - There is, at the moment.

CHAIR - Bass Link is working at the moment?

Ms LOVELL - Premier, going back to what you were talking about relating to Hydro Tasmania and their negotiations with Forescue Future Industries, yesterday you told the lower house hearing you do not agree with Hydro's statement a couple of weeks ago that there was no energy available and if that question were asked right now, 100 per cent of needs can be sourced by renewable sources.

What advice did you have around that, particularly to make you so confident of that position when the CEO had a very different position on that matter?

Mr GUTWEIN - I have been engaged with Hydro on matters such as this for some time. I make the point that I was making yesterday. Right now we can generate 100 per cent of our renewable needs. Green hydrogen is what the proponents, in fact all proponents, want to make. There will not be a green hydrogen plant up and running in Tasmania for a number of years. You cannot click your fingers and have a green hydrogen plant running tomorrow. I am very confident, based on the time frames that we understand the proponents are looking at, that we will be able to provide the necessary energy.

As I said in the lower house a couple of weeks ago, a range of negotiations are going on here. We have some significant businesses that are looking to position themselves in the market for what they see as an opportunity here in Tasmania and I cannot blame them for that. However, we need to work through this carefully and sensibly and make certain that the state gets the right outcome from this and there is a range of options in front of us.

Ms LOVELL - So your position is clearly very different to the position of the CEO. Are you saying that the CEO was wrong in the statements that he made around that?

Mr GUTWEIN - I have not seen the statement the CEO made. I have spoken to the CEO, Mr Albertini, over the weekend. We had a very positive discussion in terms of his view of where Tasmania can get to with hydrogen. As I said yesterday, Mr Albertini is leaving for personal reasons.

Ms LOVELL - Are you confident that this different position in no way impacted on his decision to resign?

Mr GUTWEIN - Absolutely. It had nothing to do with it at all.

Ms LOVELL - Thank you. Thanks Chair.

CHAIR - No further questions? We will move to 3.5 Administration of Grants, Subsidies and Concessions.

Output Group 3

Revenue, superannuation and regulatory management services

3.5 Administration of grants, subsidies and concessions -

Ms WEBB - Noting the brief description that is in the budget papers of what that line item covers, perhaps you could give us an understanding of how the funding is allocated across those roles and point to any particular matters of interest in that program of work for this year?

Mr FERRALL - It covers a component of the Revenue Branch, a component of the Finance and Accounting Branch, a component of the Economic Policy Branch and also the Intergovernmental and Financial Policy Branch; plus a corporate allocation, like all outputs. The Revenue Branch is dealing with First Home Owner Grant administration and compliance, rebates and concessions and also revenue advice and policy. The Finance and Accounting Branch picks up some of the administration of unclaimed monies and also payment of concessions and subsidies. The Economic Policy Branch picks up electricity concessions, because they are managed through that branch. The Intergovernmental and Financial Policy Branch provides broad policy research development advice but particularly in relation to things like pensioner rebates. It covers different people in different areas. In total direct salary costs, about 11 FTEs and an overhead of about 4 FTEs across that output.

CHAIR - For the record, on a policy question - and I am asking this for someone else - I want you to make it clear whether you intend at any time in your term as Treasurer, to reinstate the First Home Owners Grant for people buying their first home?

Mr GUTWEIN - I am certainly not considering doing it now; but we have provided stamp duty relief of up to, I think it is \$9000 for somebody purchasing their first home; so they can get that benefit should they purchase an existing home. I also make the point in terms of the current First Home Owners Grant that we have for purchasing a new home, that you can buy a newly built turn-key option off that as well. You do not have to go through the process of building your own home, in those circumstances, just buy a new home. I haven't turned my mind to changing the grant back to what it was a number of years ago when it was first introduced.

CHAIR - I am not suggesting you do. Do you agree there's an inflationary component of that support?

Mr GUTWEIN - Over time a number of economists who have argued that is exactly what occurs. I have always taken the view that the opportunity is in the marketplace. One of the core reasons for that support has been to bring forward supply and generate building activity and underpin the broader economy. Whilst I am certain that there have been some inflationary pressures that those grants have brought to bear, I hope that people are shopping wisely in terms of the first home builds that they are purchasing.

CHAIR - There are lots of inflationary pressures at the moment. There's a shortage of builders and building supplies.

Mr GUTWEIN - At the moment we are in a different space, with the amount of grants that are in the marketplace, and the number of new builds.

I have commented on a number of occasions on the work that local governments have had over the last 12 months, where dwelling approvals have gone up above 4200, close to 4300 for a 12-month period, compared to 2500-2800. There is a lot of activity in the sector at the moment, and there are pressures.

**Output group 4
Community Assistance**

4.1 Public Trustee Community Service Obligation

Ms LOVELL - Premier, I note that the appropriateness of the current Community Service Obligation Agreement between the Crown and the Public Trustee is included in the scope of the current review of the Public Trustee.

Has the department or the Government made a submission to the review?

Mr GUTWEIN - The review has just begun. I haven't seen a submission.

Ms LOVELL - Are you intending to make a submission at all?

Mr FERRALL - I have met with the reviewer. We're not making a submission.

Ms LOVELL - Last year a deed of variation, an extension to the Community Services Obligation (CSO), had been agreed between the Treasurer and the Public Trustee and funding was provided for a further 12 months to 30 June this year. Has this been further extended or has a new agreement been reached?

Mr GUTWEIN - I rolled that over whilst the review is underway.

Ms LOVELL - In the Annual Report from 2019-20 the Public Trustee refers to a CSO funding gap. Is it expected that the funding as outlined in this line item will cover that funding gap, or is the gap projected to continue?

Mr GUTWEIN - I am not familiar with the report. I don't have their annual report with me. We rolled over the CSO and the review will take its course. Through that, I'm sure that matters will be addressed.

CHAIR - In terms of matters that may need to be addressed how will that be funded, unless there's significant change, which is quite likely.

Mr GUTWEIN - If that's the case then we'll take advice on that and we will consider it.

CHAIR - Not from this area. This is a Community Service Obligation so it will be funding from elsewhere.

Mr GUTWEIN - It depends. I would need to wait until we saw what comes out of that review and what the recommendations are.

The committee suspended at 4.34 p.m.

The Committee recommenced at 4.48 p.m.

DIVISION 11

(Department of State Growth)

Output Group 5

Cultural and Tourism

CHAIR - Premier, welcome back in the Tourism portfolio, soon to be relinquished.

I invite you to introduce the members of your team at the table and make some opening statements in relation to the portfolio.

Mr GUTWEIN - Thank you. To my right is Jacqui Allen, deputy secretary of the Department of State Growth, and John Fitzgerald, CEO of Tourism Tasmania. To my left is Andrew Finch, my chief of staff.

I have a statement to read out about Budget initiatives and other matters, but first I would like to place on the record my sincere thanks to Tourism Tasmania for the way in which they have worked over the last 18 months.

I have been their minister now since I became Premier, which was very shortly before probably the worst of events that could befall a tourism organisation, and that was the onset of COVID-19. They have been nimble. They have worked extraordinarily hard with their stakeholders, and they have provided great confidence to the industry as we've worked through it. Thank you, John for that, and to your loyal staff.

Mr FITZGERALD - Thanks, Premier.

Mr GUTWEIN - Interestingly enough, I think probably the most difficult period for a tourism business is now in front of us, as we work to ensure that we can be in markets early enough so that our product offering is front of mind as people start to travel - and importantly, being nimble enough to manage what will be a fairly dislocated and challenging period with both borders and countries opening.

In light of that, we've provided additional funding in the Budget. I've mentioned the additional \$18 million in marketing funding that we've provided to Tourism Tasmania, to tell our story to both the country and to the world as we move forward.

I'll stop my comments there and open up to questions, but once again, I place on the record my sincere thanks to the organisation for the way it has engaged over the last 18 months.

Ms WEBB - Premier, I'm interested in an update on those PESRAC interim report recommendations that were allocated to Tourism Tasmania, in terms of complete, ongoing or outcome, and then any that are allocated to Tourism Tasmania from the final PESRAC report also.

Mr GUTWEIN - John, I might ask you to provide an update on those.

Mr FITZGERALD - Thank you. The two recommendations from PESRAC for our particular agency had to do with making sure that we had enough access back into the state,

with aviation being a critical link to our key source markets. The second part was making sure that we were promoting Tasmania to Tasmanians in the absence of all of our interstate markets.

We've been very active. We have a Director of Aviation and Access in Tourism Tasmania, which is jointly funded by the Department of State Growth and ourselves, and we've been active since day one to restore and rebuild access to the state. Notwithstanding some of the challenges we have with some current cancellations, based on market opportunities, the overall picture is looking incredibly strong, and has been for many months since we started to rebuild the market.

In fact, in spring and summer this year, we will boast - based on the market opportunity, depending on what borders are open and what aren't - and should we have access to all of our markets by the end of the year, we'll have more capacity in the market than we had in the same period in 2019. So, the carriers have backed Tasmania.

We showed in the four months leading into the middle of July, where we exceeded visitor expenditure based on our last good year, which was 2019, in all four of those months. So, demand for Tasmania has been high. The carriers have responded by putting in the capacity, and as I said, subject to those borders being open, we'll do very nicely.

In fact, I've been in Launceston today to meet the first Adelaide-Launceston flight in over 20 years with Virgin Australia. That will be three days a week, and we hope there'll be more to come.

In relation to the intrastate market, in the absence of our interstate markets we developed the Make Yourself at Home campaign, which was also to support the Government's travel voucher initiatives. So we've seen extensive vouchers in the market over the last 12 months, and we've spent over \$1.4 million on the campaign to encourage Tasmanians to experience their own backyard. That has done incredibly well, with Tasmanians pretty much exceeding visitation based on any historical data to date.

So, in relation to the two PESRAC recommendations, Tasmanians travelling, I think that's been incredibly successful with the support of the Government's travel voucher system. Access is being restored to better than historic levels, should we have the access to the markets.

Ms WEBB - Thank you. Just for clarity, that's recommendation 36 and 38 from that interim report.

Mr FITZGERALD - Yes.

Ms WEBB - Are they now regarded as ticked off and completed in that sense? Obviously, some of the things are ongoing, but do they remain open recommendations that are actively still being a leading activity?

Mr FITZGERALD - They are. We are always active in the access area in markets, and we've determined with our partners in the regional tourism organisations that we'll continue to promote to the Tasmanian market as well.

PUBLIC

Ms WEBB - Thank you. The other overarching question, in the context of Tourism Tasmania, was about implementation of the Government's broader diversity and inclusion framework.

CHAIR - You can ask that under 1.1 in Tourism.

Mr DUIGAN - My question relates to 5.5, Visitor economy support. Premier, with Tasmanian tourism and hospitality businesses continuing to face the challenging trading environment, what has the Government done to assist, apart from the highly successful travel voucher initiatives?

Mr GUTWEIN - So, you don't want me to talk about the highly successful -

Mr DUIGAN - We have a line item coming in there, so just keep your powder dry.

Mr GUTWEIN - The level of support we have provided is voluminous, so I will run through them quickly at a high level.

Firstly, in terms of supporting businesses in the tourism and hospitality sector, through the course of the pandemic we initially provided up to \$60 million worth of payments that were made broadly across Tasmanian businesses. There was a separate \$300 000 grant to small businesses and tourism and the hospitality sector, provided by a partnership between the THA, Tourism Industry Council and Collins SBA to deliver business continuity and cashflow advice. That was very broadly welcomed. I think it's something that we need to remember moving forward. It actually provided a number of businesses, albeit under stress, with the opportunity to take a helicopter view of their business, as opposed to the nuts and bolts of working in it, which was useful.

We committed up to \$1 million to the Mental Health Support Program, with additional funding allocated to the THA and TICT to deliver industry-specific mental health programs. There were, obviously, additional tourism industry marketing support programs opened for tourism operators to ensure that they could re-engage with necessary markets. To date, more than \$349 000 has been paid out of this program from the COVID-19 Small Business Sustainability and Recovery Assistance Package.

In December 2020, we provided a Hospitality Energy Rebate Grant Program to support businesses in the sector. The program closed in January 2021, and more than \$1 million was provided to over 235 applicants. There were additional programs that provided grants ranging from \$11 000 to \$100 000 to support businesses that were assessed as critical to attracting regional visitation. There was further support provided to travel agents, additional funding to hire-and-drive operators, and significant additional funding through the Critical Attractions Hardship Grant Fund, which provided grants up to \$100 000 for those businesses that were critical in a regional sense, and a range of other initiatives were provided.

I have to say that I think the challenges will be ongoing. As we've discussed this afternoon, one of the things we're turning our mind to is what we might do to support those businesses that are still being impacted by the second-order impacts of the Victorian and New South Wales border closures.

CHAIR - If I may follow up on that. I think that's a very valid point. I know you've been down the west coast, and in Circular Head there are people who have lived in Tasmania all their lives who had never been to those parts - which I find staggering, but there you go. They went there in great numbers, but they've done it now, and the operators in these regions are fearful of what's coming when they look at Victoria, New South Wales and know that Tasmanians who visited last year probably won't come back. They might go perhaps to the east coast or somewhere, who knows.

I know it's a bit of a tall proposal, but what are the things you can do to try to bring repeat visitations of Tasmanians back to this area or get to those who, perhaps, didn't travel?

Mr GUTWEIN - One of the key matters that the industry has been speaking to me about is how we stimulate that demand as opposed to providing direct grants. I had a long conversation about this with Luke Martin yesterday morning. The voucher scheme worked very well initially and I think it will work well over this period now. Potentially, we will need to look to extend it. It might need to rollover into the start of the school holidays. That seems sensible to me.

The other matter he has been proposing is how we stimulate the interstate market as it steps back in and what can we do to encourage more people to come to Tasmania as opposed to travel elsewhere, which they will undoubtedly want to.

The other thing we will have to do is to provide some direct financial support to some of these businesses. One, to ensure they can hold their staff over the next couple of months. It really is a matter of bridging. With COVID-19 we could be in really challenging circumstances by Christmas or on the upside, we could be starting to step our way through this with parts of Victoria and New South Wales relatively COVID-19-free. With high vaccination rates in Tasmania we would be able to start to open our borders to parts, if not all, of those states. Again, that will be determined by how we progress with vaccinations and how they are managing COVID-19 in those areas.

To bring businesses through to that point we want them to have their workforces available to them, so we need to think about what we can do. We are currently receiving a lot of feedback, as you would imagine, over the last two weeks since the grant program opened, the \$20 million. A significant number of people have applied and businesses have applied. We are also getting feedback about what other supports might be needed and we will respond at an appropriate time.

CHAIR - There are swings and roundabouts with this because once you start opening up to other states, particularly states where there have been outbreaks, you said yourself, Premier, New South Wales, from which regional people might be coming in. I know the fears of the locals in my area, we opened up after the last shutdown and people from the mainland were coming in, those who have been out and about and travelled around the state for a bit suddenly went back home and didn't come out. How do you deal with that balance so you don't force all the fearful Tasmanians back into their homes for the purpose of getting a few international travellers from Western Australia, perhaps?

Mr GUTWEIN - International travellers?

CHAIR - The Premier said earlier that they were a separate new country.

Mr GUTWEIN - They do view themselves as a separate country at times. We have to ensure we keep the information levels up and continue to inform our community as we are working through the process of increasing the vaccination levels and about what is occurring in other states and territories. The difference between now and back then post our shutdown, is that people will be double-vaccinated in a lot of cases. I would hope that would provide people with more confidence than they felt the last time around when we first started to open up. In a number of regional communities, I noticed people did shut down and went back home and stayed. With vaccinations now at a much higher level and, hopefully, with more Tasmanians being vaccinated, we may not see that behaviour again.

The one thing I do know out of this experience with COVID-19 is that, with some of the best behavioural scientists and economists in the world looking at what might happen, not many of them have got it right. We have to work our way through it.

Ms WEBB - I have a couple of questions about the details of some of the funded programs. Firstly, the carbon-neutral destination tourism carbon audit. The tourism carbon audit item, the budget papers say this is to assist tourism operators to undertake the first step to complete a carbon audit and formulate a pathway for them to achieve a standard of operation that will be globally recognised. That is on page 340 in Budget Paper No. 2, Vol. 1.

Can you expand on how this is intended to be delivered? Do tourism operators seek funding assistance from this funding allocation in the budget in order to conduct their own carbon audit, or does the money stay with the department to provide guidance and technical support in conducting the audit? Then I have a few more questions on it as well. I could run through them now.

Ms ALLEN - That program is still in development. We have been having conversations through the T21 Forum with industry about how that program would work. But it is still in development at the moment.

Ms WEBB - Is it intended then that the audit would be to develop a formal kind of globally-recognised carbon pathway for the businesses?

Mr GUTWEIN - The starting point would be for the businesses to conduct an audit and understand what their emissions profile is right now. Many businesses would have a view as to what their emissions profile might be, but I think that has to be one of the immediate starting points so they can understand their profile. I would hope that through the program that we would then be able work with those businesses and map out what they might need to do to lower their overall emissions.

Ms WEBB - Noting that, how is this being supported? Is it being supported through the Climate Change Office or some other entity that has the expertise?

Ms ALLEN - The funding for that particular program is with State Growth but we would see that happening in partnership with the Climate Change Office.

Ms WEBB - Looking on page 329, table 11.1, I'm noting that the funding for the initiative is limited to 2021-22, this financial year. It's not continued over the forward Estimates. Is that an indication that it's expected to be time limited and a short duration project that delivers

outcomes? Or is the anticipation that having done that initial piece of work, or in train, then funding may be required to assist it to be implemented?

Mr GUTWEIN - With these businesses, we need to work with them, one to initially enable them to understand their carbon footprint. At the end of the day, they are businesses as well and I would be expecting them to be investing in their own business and their own value proposition in ensuring that they can move towards being carbon neutral.

The state government is not going to be doing all the heavy lifting on this. The industry can see the benefit of it. We can see the benefit of it. We are going to assist the industry to understand where they stand at the moment and in future budgets, if additional support is required, we will consider that at the time.

Ms WEBB - That \$1.5 million, is regarded as that will be the duration and extent of that?

Mr GUTWEIN - It will effectively be a grant fund, as Jacqui said, working through that to ensure that money is spent in the best way.

Ms WEBB - To get a bit more information about the Tourism Industry Interest-Free Loan Program that's funded here.

Premier, in Budget Paper No. 2, Volume 1, page 339, it mentions this tourism industry interest-free loan program. In that table 11.1, page 329, it indicates it doesn't become available until the forward Estimates. Is there a reason that the program is not going to be available until 2022-23? Can you detail any specified qualification parameters for accessing it, once it does become available?

Mr GUTWEIN - What page are you on Meg?

Ms WEBB - I'm looking at page 339. There is a little description of what it is. In terms of the funding, that is detailed in the table on page 329. Why is there a delay in beginning that? What will be the parameters for qualifying for it once it does become available?

Mr GUTWEIN - It will be run by the TDR board and that's who would handle our loans and our loan portfolio. What is factored into the Budget is the interest associated with the payments to ensure that we can meet the interest-free component, as we have stated. So, that is the interest cost that is incurred by the Government.

Ms WEBB - It is not the loan bucket, as it were?

Mr GUTWEIN - That loan program will run from amounts of \$50 000 to \$2 million as we announced and the reason that the lag is in the forward profile is obviously, because although it is for an application process, then the interest will be met at the end of that first 12 months broadly speaking.

CHAIR - With regard to this one, I note there are some new initiatives, some of them have been referred to but I do not believe we referred to the project North West Gap Experience analysis. Has that started or yet to start?

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Ms ALLEN - That is a funding agreement with the RTO and that agreement has commenced.

CHAIR - You have started the work, but you have not any data as yet?

Ms ALLEN - Not yet, no.

CHAIR - Okay. I do look forward to the Tyndall Trail the new iconic walking track

Mr GUTWEIN - Have you been down there?

CHAIR - I have been up around Lake Margaret. On a fine day it is magnificent.

Mr GUTWEIN - It is unbelievable.

CHAIR - It is up and down.

Mr GUTWEIN - I have not walked it but I have been in there.

CHAIR - No, I have not walked it either. In terms of the boost in the hire car supply, I am not sure where that is at. Have you got an update on how that is going because I know it has been very difficult for people to get hire cars?

Ms ALLEN - Sure. The program opened for applications on 28 April and we will run it through until the end of this year unless funds are exhausted. As at 18 August we have had 145 applications supported, which have put 366 new cars on the road and has expended \$366 000 of the \$1 million that is available. Currently, we are obviously not seeing any pressure on hire cars.

CHAIR - As we were, yes, but then with New South Wales and Victoria locked out, there is a lot of people who cannot come here so assuming when the borders are open, would there still be an additional need in terms of the number of hire cars available in the state?

Ms ALLEN - Yes.

CHAIR - The \$1 million there, do you expect that whole \$1 million will be expended through this program?

Ms ALLEN - That is our anticipation, yes.

CHAIR - Anyone who has ordered a new car recently would know that it takes a long time to get them?

Ms ALLEN - Correct.

CHAIR - Is this presenting a problem as well?

Ms ALLEN - Yes, so there are two aspects to the Hire and Drive Reimbursement Program. One is to support hire car companies to grow their fleet, but also to support people using car sharing platforms such as Car Next Door, trying to convert cars already available in

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Tasmania for use as hire cars for visitors. There are some challenges obviously, in increasing hire car stock and getting that stock to Tasmania. It is also a national challenge.

CHAIR - The \$1million funding going also toward the car sharing arrangement?

Ms ALLEN - It reimburses a proportion of the registration costs associated with the classification of vehicle registration you need to operate a car for a Hire and Drive purpose.

CHAIR - I have seen some in Melbourne back in the day when you could go to Melbourne, Getaround and ones like that. There particular organisations we are targeting here in the state?

Ms ALLEN - We have got Ebby and Car Next Door both active to the best of my knowledge, but we do not confine it to just those platforms.

CHAIR - So any of those organisations could?

Ms ALLEN - Yes.

CHAIR - They do not need to be a registered organisation?

Ms ALLEN - Yes, the reimbursement is to the operator, not to the car sharing platform.

CHAIR - How many vehicles do you say we have got in that?

Ms ALLEN - Around 366 have been supported under this program.

CHAIR - In this car sharing?

Ms ALLEN - I do not have the numbers on the split between hire car companies and car sharing platforms.

CHAIR - Right. Where are the share cars located?

Ms ALLEN -I do not have that information.

CHAIR - Not in the main street of Wynyard I do not think.

Ms ALLEN - I doubt it.

Mr GUTWEIN - Maybe there is an opportunity for Wynyard.

CHAIR - There could be. They are very useful around cities. Yes, you can live in the city and not have a car but still have one when you need it, usually. Okay. No other questions on that? We will move then to 90.21, Make Yourself at Home travel vouchers.

Table 11.11
Revenue from Appropriation Output

Output Group 90
COVID-19 Responses and Recovery
90.21 Make Yourself at Home Travel Vouchers

Ms LOVELL - Premier, I know that the funds allocated in this line item for this financial year reflect an underspend from the last year's allocation that would be relocated to other industry priorities. Is that right? Are you considering a further round of vouchers?

Mr GUTWEIN - Which line item?

Ms LOVELL - Line 2.21.

CHAIR - It is on 345 and specifically the vouchers [5.15.43] two, sorry, on one, 345. The footnote is on three -

Ms LOVELL - Yes, footnote 13.

CHAIR - That is on 346. Three-quarters of the way down the page there.

Mr GUTWEIN - The question was the \$5 million, what will that be allocated to or spent on?

Ms LOVELL - Yes.

Mr GUTWEIN - It will be used to support other priorities as they come on board, for example, if we wanted to extend the current allocation of the tourism vouchers or make some other investment that would support the industry.

Ms LOVELL - I assume you are consulting with industry around.

Mr GUTWEIN - Believe me, they consult almost every day.

Ms LOVELL - They do.

Mr GUTWEIN - We welcome that.

Ms LOVELL - Good. It has obviously been a very popular scheme that has worked well, and demand has outstripped capacity in each round of the vouchers. Is there any auditing done of that program or any way of tracking whether the same people are getting multiple vouchers across the rounds or any auditing really at all done?

Mr GUTWEIN - Jacqui can provide as she has very ably managed that program. Obviously, there has been great appetite for them. One of the things that was obviously disappointing to some degree but, again, the outcome in terms of the economic activity - which was around \$27 - \$28 million as a result of those first rounds of the vouchers - was significant and supported the state at that time. In terms of the current voucher scheme that ran out the door, the 25 000 vouchers very quickly. Jacqui can provide some update on where spending is

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on that and who is using the voucher. Because I would very much like to encourage people to get on and use the voucher right now because that is when we need it.

Ms LOVELL - They do not have much longer to go, do they?

Mr GUTWEIN - No, they do not.

Ms ALLEN - As you would be aware, we used a different allocation method for round 3 compared to rounds 1 and 2. The round 3 allocation required people to register on our system and we had 150 000 individual registrations for that process. This time, we ran a randomised allocation process to allocate the 25 000 vouchers. It was not possible to exclude people from previous rounds when we did that, but I guess the purpose of the vouchers is to encourage people to get out and spend money in tourism businesses. To that end the program is continuing to be successful, as the Premier said.

We've currently got around 3 000 claims in for reimbursement, representing over \$800 000 worth of claims but there is a bit of a lag between when people undertake their activity and we receive and then process those claims. In terms of the random process we have used, we have worked with our internal auditors to qualify that process also.

Ms LOVELL - Based on the lag you have experienced in those previous rounds and what you are anticipating with this round, does it look like it is as successful as previous rounds or are you still waiting to see?

Ms ALLEN - It was probably a bit slow to get started but anecdotally the feedback we are receiving in the call centre from businesses is that September is looking pretty solidly booked. Indeed, some people are ringing up and complaining they cannot get into the place they wanted to go because it is fully booked.

CHAIR - In that case, say they had a particular desire to go to hotel X and there is a deadline with using these and it was booked up until the day after that date, can they apply for an extension to go particularly to hotel X?

Mr GUTWEIN - At the moment, no.

CHAIR - Go to hotel Y then?

Mr GUTWEIN - It ends on a date. That date remains the date until we change the date, if that makes sense.

Ms LOVELL - To clarify, do they have to have travelled by that date or, if a hotel was willing to accept a booking for December, could that be paid for in advance by the deadline?

Ms ALLEN - No, you need to have undertaken and paid for your activity by 24 September.

Mr GAFFNEY - I think that is fair and reasonable. If you go for \$150 000 and they are the rules and conditions well you have to do it within that time. I don't have a problem with that.

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It was pointed out to me that by a couple of people that if it had been a \$200 voucher instead of \$300 you would have had 37 500 people eligible instead of 25 000. Wouldn't that be better for the state because you'd have more people accessing it? It was so popular. Did you consider \$200 instead of \$300?

Mr GUTWEIN - There was \$200 that could be used for accommodation and then \$100 that could be spent on an experience. What we were hoping would occur was that people would utilise the funds to support the operators that provide boats or other types of experiences, or perhaps go on a railway.

I take what you're saying. It could have covered more people from an accommodation point of view or conversely we could have lowered it to \$100 for accommodation and \$100 for an experience. We wanted to ensure that we provided people with the opportunity not just to stay somewhere but also to use one of the tourism experiences and attractions that we have.

Mr GAFFNEY - At the tourism conference I went to I was impressed by how exciting it was with the groups that were there. They were reflecting on the vouchers and how great it was. Would you consider a voucher that might attract mainlanders for a five-day stay? If you're thinking of return for the buck for the industry and you're trying to attract, would you consider a \$300 voucher if they came for a five-night stay in Tasmania? That's a good return for the dollar if you're looking at \$29 million on your last one.

I don't want to upset all those people out there listening who were the 125 000 that didn't get a voucher, but if you're thinking about increasing the bang for the buck.

Mr GUTWEIN - The tourism industry has proposed consideration of a voucher for interstate travel.

One of the things we do know, and the empirical evidence shows, that as other jurisdictions have opened up there has been a snap back. We've seen high visitation rates to Tasmania. It's trying to get the balance right.

When Victoria and New South Wales eventually open up will we see the snap back and the appetite? Our sentiment surveys indicate that we probably will see that snap back. If we needed to step in and stimulate then the Government would consider that but at this stage we don't have a one on the drawing board.

Mr GAFFNEY - It was cheekily put to me that if only 15 000 of the 25 000 vouchers were used and there were 10 000 people out there that went on holiday in that period who were unsuccessful in getting their voucher would they be able to ask, 'Well I went out there in that period and spent my \$200 on accommodation. Here's my \$100'. The money is there...

Mr GUTWEIN - As a Treasurer I'd probably say no.

Mr GAFFNEY - I thought you might.

Mr GUTWEIN - And

CHAIR - As the Minister for Tourism you would say...

Mr GUTWEIN - This funding is set aside to increase supply for the industry. If it's unspent then we will look at other options. That could potentially be another voucher scheme or an extension to the voucher scheme.

Mr GAFFNEY - I did say to Mum I would ask. Just kidding.

Ms WEBB - I think mine got answered. Knowing that there is what looks like an under subscription at the moment, would there be a reinvestment into similar support for the industry? If it was looking like there was that under subscription occurring and 24 September is looming as the deadline, when would the decision be made to potentially extend that to give people a good amount of warning to then be able to utilise the extension if it occurred?

Mr GUTWEIN - If I muse about an extension to the date, then people won't spend and they will wait until we change the date until it suits them. The date is the date until the Government chooses to change it, if it chooses to change it. I would like to see as many of those vouchers used right now as we can because there will be an increase in travel within the state during school holidays, especially with the borders closed. The idea of the voucher scheme was to encourage people to travel up to the school holidays knowing that we would see an increase in intrastate and possibly interstate with Adelaide and Western Australia.

CHAIR - Maybe we should say travel now before the kiddies are out there.

Mr GUTWEIN - That is a good message.

Ms WEBB - You probably had an interesting exercise in landing on those amounts. They make sense to me because \$200 is a fairly good proportion of what you might pay for overnight accommodation and \$100 is a fairly good proportion of many of the major attractions. If it was less than that it might not draw people out so you might give out more vouchers but then have more of an under subscription.

Mr GUTWEIN - The department put their minds to that and, like you, they landed in the right spot.

TOURISM TASMANIA

Output Group 1

Tourism

1.1 Tourism

Ms LOVELL - My question is about the action plan and I am mindful of the time, so I am happy to go to Meg first.

Ms WEBB - My question is in relation to Tourism Tasmania as an entity that comes under Department of State Growth. How was the Diversity and Inclusion Framework 2017-20 implemented within Tourism Tasmania? What outcomes can you report from that? Is there something now in place to continue work around diversity and inclusion after the end of that framework?

Mr FITZGERALD - We are continuing to work on those matters within our agency. We are majority female in our organisation. Our board is majority female. Our workforce is 80 per cent female and our senior executive is majority female as well. We have undertaken expansive cultural awareness training in the past 12 months. It is our intention to continue that work, particularly with a focus on Tasmania's Aboriginal community. We have committed to a monthly ongoing cultural awareness update because we are keen to engage Tasmania's Aboriginal peoples in our work. We that to be entitled to do that we need to do a fair bit of work to be able to both understand and appropriately communicate the stories of Tasmania's Aboriginal peoples.

We also have an Inclusive Tourism Reference Group which looks at how we make sure internally in our sector and from being responsive to the market proposition, how we are welcoming and making sure the tourism sector in Tasmania is a global leader in terms of inclusiveness.

They are probably the main initiatives we are currently working on and will continue to do so.

Ms WEBB - That sounds great, thank you for that, good to hear. The other overarching question I was interested in, and there may be a very short answer, is about right to information. Tourism Tasmania is an RTI entity. From the annual report for 2019-20 that there was only one RTI application in that period. I am interested in an update since then, for the 2020-21 year around RTI and whether, if there were any, they were delivered within the legislated timeframes?

Mr FITZGERALD - I believe so. Right to information, I have something on that.

Ms WEBB - The last part that I am interested to hear about is what the resourcing of that is like within your agency?

Mr FITZGERALD - We don't often get them, to be honest. For clarification, we are not part of the Department of State Growth.

Ms WEBB - Sorry, my mistake.

Mr FITZGERALD - We process them ourselves and, as I said, we get very few of them. In the last financial period, we received two applications, compared with one the previous year. One was from a member of parliament and another from a company. Both applications were processed in the required statutory period.

Ms WEBB - With regard to the infrequency of receiving them then having the capacity to manage those, how do you ensure that the staffing is available in the capacities there and the training is up to date?

Mr FITZGERALD - We have a Better Business Unit in the agency. They are equipped to be able to pivot to these circumstances. And we still have a very close corporate service arrangement with the Department of State Growth, so in terms of staying up to speed, we are still connected in with the Department of State Growth but we manage them ourselves.

I am not saying it doesn't put any pressure on us but, certainly, we have this expertise in our business to be able to deal with it.

Ms WEBB - Thank you. I do have other questions but Sarah's will probably cover them.

Ms LOVELL - Premier, I have been looking at the tourism action plan, the T21 action plan, which contains a lot of commitments and actions under several priorities. I am mindful of the time and the volume of items in the plan, but it would be helpful if there could be some sort of update provided around the progress of those.

I am looking for some guidance from you, perhaps, and from the Chair about what the best way to do that might be, rather than running through each of them.

Mr FITZGERALD - We put out a report every six months so it is on the T21 website. We don't have those with us today, I am sorry. Yes, there are over 90 actions to be delivered over the two years.

I can tell you as Chair of the T21 Recovery Committee, we are right on track in delivering our actions. There's no red flags on any of that at all. We have broken the two-year action plan into six-monthlys and we report and publish where we've got to over those six months on the recovery plan. I am happy to provide that to you.

Ms LOVELL - Wonderful. That would be lovely, thank you very much.

Mr GUTWEIN - All I can add to that is that there were 50 actions identified in that first six-month action plan and T21 partner organisations collectively have completed or have underway all initiatives. It's a pretty good story.

When that was put together, especially being a shorter-term action plan, I wondered how it would be received by the industry but they have responded extraordinarily well. I am very pleased with the work that's been done. I think it provided great confidence at a time when it was needed.

Ms WEBB - The T21 Visitor Economy Action Plan has that aspirational target of restoring the value of total visitor expenditure in Tasmania to \$2.5 billion by December 2022. You spoke earlier about very positive restoration of activity that's coming in spring and summer. I'm interested to see whether we're on track for that December 2022 aspirational target and whether the lockdown for things have derailed that and we'll need to revisit -

Mr FITZGERALD - It will be really interesting. We were very brave at the time we established the recovery committee to put some pegs in the sand because we do know that, (a), it helps focus our work and it also gives the industry something to be aiming towards.

When we set those first targets - and we haven't reviewed them purposely at this stage, we want to continue the work that we're doing, and work towards that. We don't have enough data to suggest whether we will or we won't, to be quite frank. But when we set that, we had anticipated that international markets would already be open, in fact, would have been open earlier this year, in the first six months of this year.

That having been said, certainly in the expenditure, which is the data you were referring to, we have been well exceeding expenditure data today from the Australian domestic market. We're averaging over \$2000 per person, which is up \$500 a person, basically, who's visited Tasmania.

In the four months April to June, we exceeded expenditure on 2019, even though we had fewer visitors. We are confident in our brand, we are confident with market access, that we will be one of the winners in the Australian tourism sector, so we're not walking away from that target by any means at this time.

It's a bit crystal ball, to be honest, and it's pretty hard to gather any consistent data to enable you to be definitive around that. But we are one of the few jurisdictions who's put that peg in the sand and given us that aspirational target.

Ms WEBB - I certainly commend you for that. I think setting a target rather than just developing a list of activity, as you say, can help drive intent.

Mr FITZGERALD - All of our activity is still striving towards that, so it keeps our agency focused on the job we're doing.

Ms WEBB - That is excellent, thank you.

CHAIR - In terms of your work with our regional communities - the whole state, really - noting the comments you made about the visitor spend being up significantly, this is what I heard anecdotally around my electorate last year, and I assume it could be the same again: that because people aren't travelling to the mainland or overseas, they have more money to spend, so the high-end tourism assets are getting more of the dollar than the lower end. They're the ones who are really struggling.

The \$200 accommodation voucher. You can get a room for less than that - maybe not so much now - but certain parts of the west coast you can. It might be that if you don't spend a whole lot, you don't get it, so you'll probably stay somewhere more expensive because you would treat yourself. How do we support those lower end tourism operators so they're still there at the end of day?

Mr FITZGERALD - At the end of the day, we are campaigning to get all Tasmanians out. Yes, of course people are upgauging and upgrading, sometimes based on the fact that they have more disposable income. What you're looking at is we had a period of significant growth in Tasmania prior to COVID-19, so you have a lot of smaller players that, in a buoyant market, are going to naturally fill up just with the volume.

Now we don't have the volume of that. All we can do is continue to support them in terms of what the proposition is in the market, making sure that they're visible to the customer. One of the things we've had to do is work with operators to make sure their own visibility in the market is present. We have a lot of smaller operators. We also had a lot of new entrants because of the buoyant time, so you get a lot of people maybe who didn't have a lot of experience who've come into the sector as well.

I think our best means of supporting them is to drive demand into their business and continue to get Tasmanians out and about. Not everyone is going to win equally. We

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appreciate that. But we're doing our best to make sure that people at all levels of the economy are participating.

CHAIR - Will we see you in Queenstown in October?

Mr FITZGERALD - Probably, yes, if I can find a bed.

Ms WEBB - That's right, it's all booked up, I heard.

CHAIR - And you'll have to go to Strahan and Zeehan.

Mr FITZGERALD - I suggested to them that they should look at potentially creating an RV park out there somewhere.

CHAIR - I thought they were around the famous gravel oval.

Mr FITZGERALD - I think they're using the gravel oval for some of the event.

CHAIR - That's where the footie match is on.

Mr FITZGERALD - They have a real problem. I know they're expanding out into the other townships, into Strahan, and they're improving the shuttle systems between those.

CHAIR - There's a good caravan park at Zeehan and you have the Heemskirk at Zeehan.

Mr FITZGERALD - Okay, I'm happy to consider that. Thanks for the recommendation.

Ms FORREST - and don't forget Rosebery. There's not much in Rosebery actually. Tullah's got a nice one.

Mr FITZGERALD - Looking forward to the Uncomformity -

Ms FORREST - I am on a board for full disclosure. Any questions further on Tourism?

Thanks Minister and thanks to your Tourism team. We will move to Climate Change after a short 5 minute break.

The Committee suspended at 5.41 p.m.

The Committee resumed at 5.46 p.m.

CHAIR - Welcome back Premier, for your final portfolio responsibility, that of Climate Change. We should probably just introduce the team again for the purposed of *Hansard* and then if you'd like to make some statements about this portfolio, that would be welcome.

DIVISION 9

(Department of Premier and Cabinet)

Output Group 1

Support for Executive Decision Making

1.2 Climate Change

Mr GUTWEIN - Chair, thank you very much. To my right Jenny Gale, Secretary of Department of Premier and Cabinet; to my left Andrew Finch, my Chief of Staff; we have Craig Limkin and Sarah Russell with us who can come to the table if need be in terms of any questions regarding my portfolio.

I will make a brief opening statement. I want to record on *Hansard* how proud I am in terms of where the state is at the moment. That pride isn't in respect of actions that have been taken in recent days or recent months. It's pride for Tasmanians who, for over 100 years, have invested into Hydro and our renewable base. It is also pride for the changes that have occurred in terms of the establishment of the carbon sink.

I made some points yesterday in the lower house, and I think they are comments that should be placed on the record. There was a significant shift in 2010 to 2014 in terms of land use in the state, which came at great cost for many small communities at that time. However, that has provided us with our significant carbon sink, with the support of other industries. Agriculture, for example, has had more than a 70 per cent increase since 1990 in its gross value-add, and at the same time has been able to have a -8 per cent reduction in its climate emissions, or in respect of its carbon emissions, compared to the 1990 baseline.

We also have the waste sector, compared to 1990: a -26 per cent reduction in terms of the 1990 baseline. Overall, as a result of the actions, as I've said, of the long-term investment into renewable energy but also in terms of the establishment of the carbon sink, plus agriculture and waste, we stand at 108 per cent below the 1990 baseline as far as emissions are concerned.

As a jurisdiction, we are in a position where the rest of this country will never catch us. Importantly, in terms of the position that we hold in the world, we hold a very rare position in terms of that emissions profile.

We are working on the current Climate Change Act and that will be introduced into the parliament later this year. We recently announced the review, which was released last week by the Deputy Premier in my absence. That demonstrates that, as a result of the work that's been undertaken, we can be far more ambitious in the target we set. The review made a number of recommendations. Yesterday, I released some economic modelling we had done, supported by Treasury and DPAC, to look at what the impact might be on our broader economy, should we have a more ambitious target. That economic modelling, both in terms of jobs and growth and GSP, indicates that with a more ambitious target, both by 2030 and again by 2050, we would see a significant increase in jobs and in the economic circumstance of the state.

We are in a rare position. The next step we will take will be further consultation with industry. It is important, at a time when the discussion at a national level, both at a state and federal level, that it is based on a 2050 target. For a state of our size to set a much more ambitious target than that, it is important we take our industry sectors and our community with us. There will be some further consultation before we come back to the parliament with a final target in terms of the act. With that, I will take questions.

Dr SEIDEL - Thank you, Premier. I read through the answer from yesterday's Estimates. I only have one question and you probably won't like it. As Minister for Climate Change, what

prevented you from supporting the call to declare a climate emergency in the Tasmanian Parliament less than a couple of weeks ago?

Mr GUTWEIN - One of the things I have noticed in my interactions with my Premier's Youth Advisory Council, and some of the feedback we have received more broadly as we have worked through COVID-19, is that there are anxieties that many of our young people are feeling and dealing with at the moment. The climate emergency language and the way it has been described in the lower house, I don't think assists in respect to those anxiety levels.

I have spoken to young people who are terrified who the world is going to end very quickly, when it is not. I have spoken to young people who are ashamed of the position we have in terms of Tasmania's efforts in climate change. I think there is work we need to do in our schools and across our broader community to ensure people understand that we are in a very rare position here, and there are things our kids should be very proud of.

In terms of the climate emergency, I also looked at the recent IPCC Report. Interestingly, in that report, the climate emergency - as you would know I mentioned yesterday if you read the *Hansard* - was only mentioned once and that was with respect to media commentary. That is not in the body of the report. No-one recommends in that report that we name-up a climate emergency. It does suggest that we need to take action and be very cognisant that we do face significant challenges.

I think the position I have taken is a responsible and sensible position and one whereby we can build great support for the efforts the state has taken in the past but, importantly, the efforts we take with some of our industry sectors in the future. I would rather do that from a position of pride than one of fear.

Ms WEBB - I will follow up on that because it interests me that you invoke your Youth Advisory Council when you answer this question. The implication for me, hearing that, seems to be that they would endorse that you didn't vote for that motion in the Chamber.

Mr GUTWEIN - I wouldn't suggest that is the implication you should draw. Those young people can make up their own minds in those matters. In terms of some of the conversations I have had with both young people attached to the Youth Advisory Council and others as well, I am concerned that there is a level of fear and anxiety when, in reality, we should be very proud of the position we hold.

Ms WEBB - In my experience, a good way to allay anxiety is to acknowledge an urgency and a need to act; to talk about how the action will happen and how good that is; and how positive we can be about it.

I seek a little bit more detail, through my questions. I will run through them and if they are not relevant to this area, by all means point me in a different direction. I have a question about your engagement with that IPCC Report. As upper house members, we will be receiving a briefing on it shortly. To what extent have you engaged with it and in terms of the information in there? I know there is a summary for policymakers and information for those of us in those spaces.

Mr GUTWEIN - Last week I was intending to be briefed on that report by UTAS. For obvious reasons I wasn't at work last week but I read the policy summary. I have spent a great

deal of time, and I must fit in the broader report as well. I have been doing my very best to understand it. I will take a briefing from the scientists as well at an appropriate time.

Ms WEBB - I am interested to know the 10 largest emitters of greenhouse gasses in Tasmania and the proportion of Tasmania's emissions those top 10 are responsible for?

Mr GUTWEIN - I don't have a list. I am not sure if we have that information. I don't know if you've had answers to that. [inaudible] I'm presuming it is the broader breakdown of the 1990 baseline and sectors and sub-sectors which break it down into industrial processes, agriculture, land use, waste, transport, electricity generation, direct combustion and energy, which provides the 1990 baseline and in our performance to date. That is available publicly. I don't have a breakdown within that.

Ms WEBB - If you take it on notice, would you be able to provide me with a breakdown of the 10 largest emitters and the proportion that they represent from our emissions?

Mr GUTWEIN - We can do that.

CHAIR - Can I clarify that from our side?

Ms WEBB - I can provide the detail. The 10 largest emitters of greenhouse gases in Tasmania and the proportion of Tasmania's emissions they are responsible for.

Mr GUTWEIN - That is individual businesses not sectors you're after?

Ms WEBB - That's right.

Premier, your Government is rightly proud of Tasmania's carbon neutral net zero emission status, as recorded in the National Greenhouse Accounts Factors: 2020.

Would that status be any different if emissions from bushfires in Tasmania were included in Tasmania's emissions?

Mr GUTWEIN - Regarding the modelling that's been done and it has been released now, over the period to 2050, and this is with modelling, allowing for large bushfires in excess of 300 000 hectares, the last major bushfire we had was in 2016 and that was about 240 000 hectares. If we model large bushfires into our emissions profile and pathway over the period to 2050 then we become a net emitter again until we see the regrowth come back and then within a period of around three years we're back to being net zero again.

Ms WEBB - It does have that impact.

Mr GUTWEIN - Yes, it does. It would have an impact. As I mentioned this morning, one of the things that we are looking to do is to understand how best to monitor fires that would impact on the Tasmanian Wilderness World Heritage Area (TWWHA) or other parts of the state and how best in an electronic sense we can understand that. The best way to kill a monster, and a big bushfire being quite a big monster, is to get it when it's small. We are looking at how we can put that monitoring in place.

Ms GALE - We are also working with the Tasmanian community to adapt to bushfire risk so there is preventative work. Some initiatives that the Government has undertaken in relation to that includes the Tasmanian Cultural Burning Grants Program, just as one example where we are taking that preventative action as well.

Ms WEBB - Some of that will be out of our control, much as we should of course invest in that.

In terms of the Securing Tasmania's Future by Taking Further Climate Action Policy which includes a commitment to investigate setting a target for government operations to become carbon neutral within 60 days of taking office, the policy says in the detail that:

A re-elected majority Liberal Government will within 60 days take advice from the Tasmanian Climate Change Office on setting a target for government operations to become carbon neutral. The advice will need to include necessary actions and likely costs to achieve the target.

Importantly, any target will build on our climate actions so far, including our target to transition the government vehicle fleet to 100 per cent electric vehicles by 2030 and the fact that Tasmania achieved 100 per cent self-sufficiency in renewable electricity last year.

We're past the 60 days so have you received that advice from the Tasmanian Climate Change Office on setting a target for the state government to become carbon neutral? If so, what is the advice and what is the Government's response to it?

Mr GUTWEIN - I have received that advice. We did request it. What is interesting at the moment is that the agency emissions data collection that we currently have is not sufficient to make a carbon neutral assessment as it stands at the moment. The recommendation that I've received with that advice is that we establish a baseline emissions inventory and compile that and then establish a target for the Tasmanian Government once we understand the baseline emissions. Then we can set a carbon neutral target from that. I'm presuming that work will now be conducted by the Climate Change Office as part of the recommendation from that.

Ms WEBB - If we put aside land use and forestry, reducing greenhouse gas emissions requires a reduction in the use of fossil fuels - coal, petroleum fuels, natural gas and LPG. Would you commit to government departments publishing their use of those fuels, say, every quarter or on some periodic basis so that it's publicly available to see how the emission reduction effort is progressing on that front?

Mr GUTWEIN - I think in some annual reports that already occurs in some agencies. I would need to check. That level of information detail, I have no issues at all in working towards that. I think that is a sensible thing for government to do.

Ms WEBB - Thank you. I've got some questions about electric vehicles and the transition of the government fleet to electric vehicles. We have the commitment there to transition the government vehicle fleet to 100 per cent electric vehicles by 2030.

Mr GUTWEIN - Yes.

Ms WEBB - What does that commitment mean specifically? Does the target apply to all branches of state government, including the substantial vehicle fleets used by state government businesses? And to ensure that the government is held responsible for contributing to that and delivering on that target, will you establish interim targets as we progress towards 2030 so that we can see that progress or understand what our expectation of progress is towards that?

Mr GUTWEIN - It's my expectation that we will set interim targets. It is in the general government sector. This hasn't captured the government businesses. I think there are about 2500 vehicles in the light vehicle fleet. That's the fleet that we're going to transition. I can provide some information at the moment. There is a wealth of opportunity here and once you hear this information you will understand just how big the opportunity is to take a step into this space. There's a lot of upside that we can get out of this.

As at 30 June the vehicle fleet included eight plug-in hybrid vehicles and five battery electric vehicles, so 13 in total. A further two plug-in hybrid vehicles and a further seven battery electric vehicles are on order as of June 2021. I thought about 8 per cent to 10 per cent of the fleet were hybrid vehicles. I'm looking for that number. I'm sure Perry can find that, if you would, just the number of -

Mr JACKSON - It's 11 per cent.

Mr GUTWEIN - Thank you. Yes, 294, so around 11 per cent of the Government's light motor vehicle fleet were hybrid; 0.3 per cent - eight vehicles were plug-in hybrid electric vehicles; and, in addition, five fully electric vehicles in the fleet. As it stands at the moment, the low emissions vehicles are 294, so 11 per cent of the overall government fleet. Plenty of room to move. To be exact, I said 2500, 2582 vehicles in the fleet at the moment that we're looking to transition.

In terms of targets, in table 9.3 in Premier and Cabinet, the targets we've set for the vehicle fleet were to have around 13 per cent by the end of 2021. We have 11.4, but a 50 per cent target by 2021-22, which I don't think is - that is the number. It does say 'per cent' but it should be a number. Fifty per cent would be a very bold target by the end of 2021-22.

CHAIR - Particularly when you can't get them into the country.

Ms GALE - That is not working very well, so it is progress towards meeting the target, so it is by number.

Mr GUTWEIN - I was getting a bit excited, thinking we were well in front of ourselves.

Mr GAFFNEY - How many FTEs in the Climate Change Office, please?

Ms GALE - There are 8.9.

Mr GAFFNEY - It says here about annual stakeholder surveys, who are the stakeholders? It says they will be determined through an annual stakeholder survey. Is that identified groups or is it Tasmania, or who are the stakeholders?

Ms GALE - Through you, Premier, I will defer to Ms Russell, who will explain the KPI.

Ms RUSSELL - The annual stakeholder survey will be commencing at the end of this financial year. It will involve ministerial and cross-agency contacts we use as well, so it will be internal to government at this stage. But we could have a look at broadening that out because it hasn't commenced yet.

Mr GAFFNEY - Good. Will that list of stakeholders be advertised for people to see? Because there may be a lot of stakeholder groups out there that want input into the climate change area. I am very concerned that some of the groups out there might not get invited to be part of it.

CHAIR - They are not going to, she said, it is only internal.

Mr GUTWEIN - There is a broader consultation process, in terms of the act. I would take a stab at how many people we can consult with.

Ms RUSSELL - About 200, including organisations.

Mr GUTWEIN - I was going to say over 200.

Mr GAFFNEY - There was one action has been discontinued. Which one was that?

Ms RUSSELL - That was PowerSmart Homes. That was paused during COVID-19 because it involved going to people's homes and doing energy audits. As a result of the pandemic and the public health directions at that time, we paused that program. Subsequently, unfortunately, that contractor became frustrated and we are working through the issues associated with that now.

Mr GAFFNEY - If things change, that action may come back?

Mr GUTWEIN - Certainly, it is a sensible action and if we can, I'd hope that we might pick it up in the next climate action plan.

Mr GAFFNEY - There is a missed opportunity sometimes when we see all of the climate change marches and groups gathering, because I think they walk away frustrated that the Government doesn't seem to be doing enough. I am not saying whether that is right or wrong because sometimes they don't see what the Government is doing, if they're inspired.

Will the Climate Change Office think of how we can target that passion and say to those people coming here, well, this is what you can do and this is what we will provide for you to do, whether it is planting trees or doing something, so they feel as though there is a result.

At the moment there is an angst, once they come to a gathering and voice their concern. For me it would make sense that - how can we harness that passion?

Mr GUTWEIN - Can I engage on that because I think it is an interesting point you make. When people are rallying, following climate change matters, how do we get them to be understanding and proud of the fact that as a state that we live in we are 108 per cent below the emissions level we had in 1990?

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CHAIR - I think Mr Gaffney was asking you that question.

Mr GUTWEIN - That's right, I'm asking your view on how we could pivot that to being proud of the state but at the same time taking a message nationally.

Mr GAFFNEY - It's not that difficult, I don't think. What you need to do is get some public speakers at that event who are pro-active in saying 'this is what we're doing in the state' and give them that information out there. Whether that's a big display, or talking to a PowerPoint, or talking to something, saying 'this is what we're doing', and putting it out there. At the moment the passionate people don't actually fully appreciate that. It's got to be a more proactive space at that rally than in the paper the next day, or in the media that those young people don't read anyway. It's not on their social messaging.

Mr GUTWEIN - Do you think people understand more broadly the fact that we are 108 per cent below -

CHAIR - No, that's the point.

Mr GAFFNEY - No. I think you've got to be more public at the rallies and have a positive presence there.

CHAIR - Have you attended any of those rallies?

Mr GUTWEIN - No, I haven't. I haven't attended any of those rallies.

CHAIR - Were you encouraged?

Mr GUTWEIN - I have attended a couple of demonstrations at my office and have spoken to people that have been rallying outside my office. So, I've done that and engaged.

One of the challenges we've got, and for a long period of time, is while there's been some very good work done, I don't think we have been very good at selling the message of just how strong a position we are. That's challenging, because you can spend government resources and you'll be criticised for doing that. You can put out press releases some people pick up and then it's just a political statement.

But I hope that with the creation of Renewables, Climate and Future Industries, through that agency we can have some very clear public information going out that sets out the fact that we are 100 per cent renewable, that we are building to 200 per cent renewable, 'and, by the way, we have a fantastic climate profile, this is what you can do to help us improve it but we should be proud of it as a starting point'.

CHAIR - So, will you encourage the new Minister for Climate Change to attend these rallies, or at least have his senior staff attending to address the rally, because this is the point that Mike's making. If you provide some factual, pictorial stuff that people can actually say, 'Oh well perhaps we don't have to - we should still be participating and voicing our opinion but we've actually got some facts now'. Because, as Mike says, it's not a lack of facts.

Mr GAFFNEY - I think, for a behaviour management plan, and that's what you're doing, you need somebody credible within the environment movement who sees certain aspects of

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what the Government is doing as good and they can frame that and they can also frame what's not so good.

CHAIR - Will you also encourage your own minister to attend?

Mr GUTWEIN - One of the reasons why and I guess in terms of the rallies at the moment, our people are of a singular mind and the rally is there to make a point and a statement. I've found, in public life, having the voice of reason attend rallies is, perhaps, not the best way to get the message across. This is why I think we need to spend more time engaging with our kids through our schools, that we have an appropriate set of public messages that provide clear information that people can understand and, at the end-of-the-day, make their own judgements.

Until I became the Climate Change minister, I can still recall this. The environment minister back in, I think, 2018-19 and I looked at this profile and I just went: 'Wow, why haven't we been shouting this from the rooftops?'

CHAIR - That's a question I want to follow up with you.

Mr GUTWEIN - As Climate Change minister I'm doing my very best to get that message out and it's something that, as a Government, we'll continue to do more strongly.

CHAIR - Let me talk to you about a different cohort of people who you need to engage. A lot of them live in my electorate and a lot of them probably vote almost consistently for your team because they call be all sorts of other names that would suggest that I am not anything other than a dirty, stinking other party.

These are people who deny climate change, who want to cut down every tree in the place, that's a generalisation, but think we are on a really bad path that is going to destroy all their industries, all their opportunities, the opportunities for their kids. You know who I am talking about, you know these people.

Mr GUTWEIN - They are not exclusively my party, but thank you.

CHAIR - No, they are not, but probably in my electorate they are.

CHAIR - The point is, these are the people you have to engage with to help them to see that it is your Government who is driving this. They see eye to eye with your Government, your policy positions on many other things, but they don't expect you and your Government to be saying, 'Look at us, aren't we fantastic in this area of climate change. We have got this amazingly low emissions level. We are doing all these other things'.

How are you going to engage with them so they don't think that when I phone up to talk about it that I'm a raving lunatic?

Mr GUTWEIN - The reason why as Premier I took on the Climate Change portfolio and became the first premier in this state to take it on, and a Liberal premier at that, was that I wanted to send a message.

This is an enormously important area. In relation to the industries we have, over time the purchaser will make the decision and they will make discerning decisions about what they

purchase. We are so ideally placed with the vast majority of products we produce and powered by our green energy and renewable energy, to be capturing that -

CHAIR - These people are worried about their jobs and worried about their kids' jobs.

Mr GUTWEIN - I understand that. Last year I recognised that we could be more ambitious with our climate target. That is why I asked for the economic work to be done as well as the environmental work. That is why, in the last couple of days, we have put out the economic modelling supported by the Victorian University to enable public discourse to occur.

I have said that we need to engage with industry because industry, once it understands the work that has been done, is an important part of the voice on this.

CHAIR - You need to engage with them as well as the people who rally, thinking we are not doing enough.

Mr GUTWEIN - That is exactly what we are going to be doing over the next couple of months before we bring back the act to the parliament.

Ms WEBB - Premier, you recently tabled the independent review of the Climate Change (State Action) Act 2008 and you have had that economic analysis undertaken by Point Advisory.

Mr GUTWEIN - Yes.

Ms WEBB - You have indicated you are going to be working through that and formulating a formal response. I am interested in the timeline on that.

Mr GUTWEIN - I would like to complete that consultation and bring the act back by the end of this year to the parliament.

With regard to the process, the Climate Change Office has conducted already a significant amount of consultation. Following on from our last conversation with the Chair, I'd see this as being an engagement with the industry sectors now and to ensure that with what has been recommended and the target we land on, there is an understanding of why we have done that and support for it.

Ms WEBB - Another angle leading on from that independent review of the act, knowing that you are still formulating your response to it, I noted that recommendation 5 from that review on page 71 recommends the act be amended, 'to make the development of a climate action plan a statutory requirement'. It then says, 'the statutory planning is to include elements such as a legislated emissions target, key decarbonisation and resilience plans, objectives and targets'. That is going to have a bearing on the Climate Change Action Plan 2021-26 that is under development.

Has there been assessment done of implications for our state from the recent NSW Land and Environment Court decision of August 2021 that determined that the NSW EPA has a duty to protect the state's environment from climate change and the EPA had not fulfilled this duty?

The court made it clear that aspirational and descriptive plans won't cut the mustard:

If there is nothing to set any objectives or standards, impose any requirements or prescribe any action to be taken to ensure the protection of the environment.

The point I am getting to is that we are seeing courts make rulings on climate change responsibilities and they are expecting forms of tangible action and proof that we are evaluating those and working towards those specified targets.

Have you requested or do you intend to evaluate the implications of those court decisions, the one in NSW but also perhaps the Federal Court finding against the Sussan Ley and her department, and whether there are implications for us as we develop our climate change policy and legislation?

Mr GUTWEIN - No, I haven't received any advice on those recent court decisions. In relation to NSW, Queensland, Victoria, South Australia, Northern Territory and Western Australia, we are in rare air here in Tasmania with our emissions profile. Other states have significant amounts of work in front of them to get anywhere near the net outcome we are currently at. Our circumstance are vastly different to what is occurring in other jurisdictions at the moment. I haven't received any advice on those important decisions as yet.

Ms WEBB - I had a question that relates to the final report card of the Climate Action 21 plan released in August. The discontinued action which was housed within section 6, Supporting Community Action, it was 6.2 on page 62 of the Report Card, the Power Smart Homes state-wide energy efficiency program intended to help low-income Tasmanian households stay warm, save money, and reduce greenhouse gas emissions. The report card states this program was discontinued to comply with Public Health directives as part of Tasmania's COVID-19 pandemic response. Can you unpack that for us please? What was the Public Health pandemic concerns regarding implementation of the program that required it to be discontinued given that those conditions may have changed? You are smiling at me.

Mr GUTWEIN - I am. This might have been where you zoned out.

Ms WEBB - I am sorry. You should have stopped me earlier.

Mr GUTWEIN - I thought there might be a different question at the end of it.

Ms WEBB - I have a couple of questions there so maybe there is an additional one.

Mr GUTWEIN - The reason it stopped was that for the audits to be conducted people had to go into other peoples' homes. That contract is now in a frustrated state. It is a worthwhile program. As part of the new action plan I would hope we could have a similar program embedded in that.

CHAIR - You said exactly the same thing this time as you did last time, so there you go.

Ms WEBB - The second Electric Vehicle Charge Smart Grants program currently opened with applications closing this Friday, are you able to indicate how the application interest is currently tracking? Are you able to indicate whether you are expecting the program's

allocation to be fully expended or under-subscribed and are you considering offering further similar electric vehicle incentive grants?

Mr GUTWEIN - I might ask Sarah. Do you have an update on that because I have no advice as yet?

Ms RUSSELL - I do not have an exact number for you about the number of applications we have received. For the first program they pretty much all arrived on the closing day and it was over-subscribed the first time with a lot of telephone calls, emails and interest.

Ms WEBB - So you are expecting a good outcome then?

Ms RUSSELL - Yes.

Ms WEBB - Noting there is a lot of focus on electric cars but many trips taken are short enough to be achievable on electric bicycles. Introducing measures to encourage e-bike use would be another way to shift things in this area, electric bicycles are an effective alternative for short trips with vehicles. What is the Government doing to support their uptake by businesses and individuals?

Mr GUTWEIN - At this stage electric bicycles are a matter I have not considered. We are obviously looking at the electric scooters and I think we will be surprised at the appetite for those. Obviously, we need to change the regulations for those.

Ms WEBB - I was going to say when are we going to change the regulations for those? Is there a time line on that?

Mr GUTWEIN - I understand that is in train at the moment. The process has been announced and those trials, both in Hobart and in Launceston, are almost ready to go and the regulation is in terms of changing the wattage. At the moment, I do not think you can ride a scooter above 200 watts and in terms of the hilly terrain we have, we are looking to increase it to 300 watts from memory, so you have a little bit more power that can be utilised. They will be governed in terms of their speed for obvious reasons. My understanding is the way the trial will work is they are connected via the web and the governing arrangements are built into the scooters that way. I think the trial is going to be fantastic to be honest.

CHAIR - But can you get to Huonville and back?

Mr GUTWEIN - I do not know about Huonville. Compared with the VW you might get there quicker.

Ms WEBB - Given the support for electric vehicles and electric scooters, is electric bikes an area you see as a good opportunity to look at some measures or initiatives there?

Mr GUTWEIN - Without making a firm commitment now you have raised it we will certainly give that some consideration. In fact, I think you should have asked the question when the Secretary of Treasury was here.

CHAIR - Does he ride one?

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Mr GUTWEIN - He is a renowned e-bike rider.

CHAIR - He could go out with Josh Willie.

Ms WEBB - And Bastion.

CHAIR - And you all get your plastic ponchos on when it rains.

Mr GUTWEIN - I will give some thought to that.

Ms WEBB - For some people it would be more convenient than scooters, for example, so it is a shame to miss them out of opportunities for support.

Mr GUTWEIN - Fair point.

CHAIR - Any other questions, members? Thanks Premier and the team, long day and a long week for you, so time for a break.

Mr GUTWEIN - Thank you very much.

CHAIR - Stop the broadcast.

The Committee adjourned at 6.28 p.m.