



Parliamentary Standing Account of Public Accounts

Media Advisory

Tuesday, 21 March 2023

Final Reports:

- **Tasmanian Government's Spending: Unallocated COVID-19 Funding**
- **South East Traffic Solution: Midway Point Intersection Project and the Sorell Bypass Highway Project**

The Parliamentary Standing Committee of Public Accounts tabled two final reports:

- Tasmanian Government's Spending: Unallocated COVID-19 Funding, and
- South East Traffic Solution: Midway Point Intersection Project and the Sorell Bypass Highway Project.

Tasmanian Government's Spending: Unallocated COVID-19 Funding

The Government's response to the COVID-19 pandemic during the 2021/22 financial year required significant additional expenditure across many areas of government. As many of the potential additional costs required by each government department and agency could not be accurately determined in advance, an additional \$100 million, was appropriated to the Treasurer's Reserve to meet unanticipated and unexpected costs related to the COVID-19 pandemic. This was in addition to the \$50 million appropriated to the Treasurer's Reserve to meet non-COVID-19 related expenditure which could not reasonably have been foreseen and was necessary for efficient financial administration (section 21 *Financial Management Act 2016*).

A primary function of the Committee is to provide oversight of the use of public monies and the actions of Government in the allocation and expenditure of public funds through the scrutiny of the executive government's implementation and use of public resources, financial management and related reporting. In light of the significant additional appropriation, the Committee resolved to inquire into the additional \$100 million appropriated to the Treasurer's Reserve and the spending of this unallocated additional funding in the 2021-22 Budget.

Whilst the Committee made no recommendations to the Government, it noted that the extraordinary circumstances that led to the additional appropriation to the Treasurer's Reserve and such action should only occur in exceptional circumstances.

South East Traffic Solution: Midway Point Intersection Project and the Sorell Bypass Highway Project

It was brought to the Committee's attention that two major infrastructure projects that were part of the South East Traffic Solution (namely Midway Point Intersection Project and the Sorell Bypass Highway Project) seemingly were not subject to the usual scrutiny by the Joint Standing Committee of Public Works (PWC) as prescribed under the *Public Works Committee Act 1914*. The Committee resolved to seek advice and explanation from the relevant Minister, Hon Michael Ferguson MP (Deputy Premier, Minister for Infrastructure and Transport).

The Deputy Premier informed the Committee that in 2020 when these projects were assessed for referral to the PWC, the Department of State Growth (DSG) was operating on a standard operating procedure that was based on a 1989 Parliamentary resolution that Commonwealth funding was excluded from the monetary threshold. As these resolutions are still in force, noting the 80:20 split of funding from Commonwealth and State Governments, the State funding component for some of these projects was below the monetary threshold.

The Committee notes that the DSG has recently amended its standard operating procedures to ensure all roads and bridges works are referred to the PWC in accordance with the monetary threshold under the PWC Act, regardless of funding source.

In addition to the nine findings, the Committee made the following recommendation:

For the avoidance of doubt, the 1989 resolution of both Houses of Parliament pursuant to section 15 (1) of the Public Works Committee Act 1914 to withdraw from the operations of this Act projects whereby:

- a. the construction and maintenance of national highways and bridges funded by the Commonwealth;*
- b. the construction of national arterial roads and bridges funded by, the Commonwealth; and*
- c. the construction and maintenance of local roads funded by the Commonwealth ...*

be rescinded to reflect the amendments made to the Department of State Growth's standard operating procedures to ensure all roads and bridges works are referred to the PWC in accordance with the monetary threshold under the PWC Act, regardless of funding source.

Members of the Committee at the time of the Reports completion were:

Legislative Council

Hon Ruth Forrest MLC (Chair)
Hon Meg Webb MLC
Hon Josh Willie MLC

House of Assembly

Ms Lara Alexander MP
Dr Shane Broad MP (Deputy Chair)
Mr John Tucker MP (until 21 Nov 2022)
Me Dean Young MP (from 23 Nov 2022)

Further information about the Committee and copies of the tabled reports are available on the [Committee website](#).

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Further information: Ruth Forrest MLC (Chair) – 0419 879 524