



First Session of the Fifty-Second Parliament

LEGISLATIVE COUNCIL SELECT COMMITTEE

ESTIMATES A

Estimates of the HON ERIC ABETZ MP

Treasurer

Minister for Macquarie Point Urban Renewal

Acting Minister for Community and Multicultural Affairs

Minister for Arts and Heritage

Minister for Innovation, Science and the Digital Economy

Minister for Environment

Members of Committee

Hon Ruth Forrest MLC (Chair)

Hon Clare Glade-Wright MLC

Hon Sarah Lovell MLC

Hon Cassy O'Connor MLC

Hon Bec Thomas MLC (Deputy Chair)

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Treasurer

Minister for Macquarie Point Urban Renewal

Acting Minister for Community and Multicultural Affairs

Minister for Arts and Heritage

Minister for Innovation, Science and the Digital Economy

Minister for Environment

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REPORT

TREASURER

APPROPRIATION BILL (No. 1) 2026 DIVISION 13 DEPARTMENT OF TREASURY AND FINANCE

Legislative Council Select Committee Estimates A examined the Estimates of the Department of Treasury and Finance, the Hon Eric Abetz MP on Monday, 1 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 1 – Financial and Resource Management Services	
1.1 Budget Development and Management	FURTHER DEBATE <ol style="list-style-type: none">1. Can the Treasurer provide a full answer to the questions so far not answered by the Government in relation to the cost of senior executives in the State Service? (BT)2. When was the last formal review of the GST forecasting model undertaken by Treasury? (BT)3. Was the Treasurer aware former Minister Ogilvie had a matter before the Supreme Court before her resignation from Cabinet 28 May 2026? (CO)4. Was the Treasurer aware, prior to former Minister Ogilvie’s appearance in Legislative Council Estimates Committee A on 17 November 2025, that she had initiated Court proceedings? (CO)
1.2 Financial Management and Accounting Services	FURTHER DEBATE <ol style="list-style-type: none">1. What is the estimated outcome cost of election commitments in 2025-26? (BT)

<p>1.3 Shareholder Advice on Government Businesses</p>	<p style="text-align: center;">FURTHER DEBATE</p> <p>1. Which Government businesses have received equity contributions, and which have had loan guarantees in each of the past five years and what is the amount of each, for each GBE? (CO, BT)</p> <p>2. When did the Treasury and NRE review of the Tasracing deed commence and what are the Terms of Reference? (BT)</p>
<p>1.4 Government Property and Accommodation Services</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>1.5 Government Procurement Services</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>Output Group 2 – Economic and Fiscal Policy Advice</p>	
<p>2.1 Economic Policy Advice</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>2.2 Regulatory Policy</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>2.3 Intergovernmental Financial Matters</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>Output Group 3 – Revenue, Superannuation and Regulatory Management Services</p>	
<p>3.1 Tax Administration and Revenue Collection</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>3.2 Regulation and Administration of Liquor and Gaming</p>	<p style="text-align: center;">RECOMMENDED</p>
<p>3.4 Office of the Superannuation Commission</p>	<p style="text-align: center;">RECOMMENDED</p>

3.5 Administration of Grants, Subsidies and Concessions	RECOMMENDED
Output Group 4 – Community Assistance	
4.1 Public Trustee Community Service Obligation	RECOMMENDED

The Committee further recommends that the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.



HON RUTH FORREST MLC
Chair



REPORT

TREASURER

APPROPRIATION BILL (No. 1) 2026 DIVISION 4 FINANCE-GENERAL

Legislative Council Select Committee Estimates A examined the Estimates of Finance-General, the Hon Eric Abetz MP on Monday, 1 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 1 – Debt Servicing and Management	
1.1 Debt Servicing	RECOMMENDED
1.2 Interest on Sundry Deposits	RECOMMENDED
Output Group 2 – Employee Related Costs	
2.1 Superannuation and Pensions	RECOMMENDED
Output Group 3 – Government Businesses	
3.1 Sustainable Timber Tasmania	RECOMMENDED

3.2	State Fire Commission	RECOMMENDED
3.4	Government Businesses	RECOMMENDED
Output Group 4 – Miscellaneous		
4.2	Treasurer’s Reserve	RECOMMENDED
4.3	Miscellaneous	RECOMMENDED
4.4	Payment to Australian Tax Office: GST Administration	RECOMMENDED
4.7	Property Management Services	RECOMMENDED
4.8	Infrastructure Investment Project Planning	RECOMMENDED
4.9	Ex-Gratia Assistance	RECOMMENDED
4.12	Home Warranty Insurance Scheme	RECOMMENDED
Grants and Subsidies		RECOMMENDED
Capital Investment Program		RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest', written in a cursive style.

HON RUTH FORREST MLC
Chair



REPORT

TREASURER

APPROPRIATION BILL (No. 2) 2026

DIVISION 8

TASMANIAN AUDIT OFFICE

Legislative Council Select Committee Estimates A examined the Estimates of the Tasmanian Audit Office, the Hon Eric Abetz MP on Monday, 1 June 2026.

The Committee examined the Estimates contained in the following Output Group and makes the following recommendation:

Output Group 1 – Public Sector Performance and Accountability	
1.1 Public Sector Performance and Accountability	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read "R. Forrest".

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR MACQUARIE POINT URBAN RENEWAL

APPROPRIATION BILL (No. 1) 2026

DIVISION 10

DEPARTMENT OF PREMIER AND CABINET

Legislative Council Select Committee Estimates A examined the Estimates of Department of Department of Premier and Cabinet, the Hon Eric Abetz MP on Monday, 1 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Grants and Subsidies	FURTHER DEBATE
	1. In relation to the proposed Macquarie Point stadium, can the Minister confirm the P90 assessment referenced in the 4 December letter to the Hon. Member for Elwick was to an Australian industry standard? (CO)

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest'.

HON RUTH FORREST MLC
Chair



REPORT

ACTING MINISTER FOR COMMUNITY AND MULTICULTURAL AFFAIRS

APPROPRIATION BILL (No. 1) 2026 DIVISION 10 DEPARTMENT OF PREMIER AND CABINET

Legislative Council Estimates Committee A examined the Estimates of the Department of Premier and Cabinet, the Hon Eric Abetz MP on Monday, 1 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 3 – Community and Government Service Delivery	
3.3 Community Services	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest'.

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR ARTS AND HERITAGE

APPROPRIATION BILL (No. 1) 2026

DIVISION 8

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT TASMANIA

Legislative Council Estimates Committee A examined the Estimates of the Department of Natural Resources and Environment Tasmania, the Hon Eric Abetz MP on Tuesday, 2 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 6 – Heritage	
6.1 Historic Heritage	FURTHER DEBATE 1. Please provide a copy of the correspondence sent to Mr Hackett regarding the timelines and scope of the information they require to complete a heritage assessment. (BT/CO)
Grants and Subsidies	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR ARTS AND HERITAGE

APPROPRIATION BILL (No. 1) 2026

DIVISION 11

DEPARTMENT OF STATE GROWTH

Legislative Council Estimates Committee A examined the Estimates of the Department of State Growth, the Eric Abetz MP on Tuesday, 2 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 5 – Cultural and Tourism Development	
5.1 Tasmanian Museum and Art Gallery	RECOMMENDED
5.2 Arts Industry Development	RECOMMENDED
5.3 Screen Industry Development	FURTHER DEBATE 1. Please provide a copy of the cultural review into Screen Tasmania (CGW)
Grants and Subsidies	RECOMMENDED
Capital Investment Program	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest', written in a cursive style.

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR INNOVATION, SCIENCE, AND THE DIGITAL ECONOMY

APPROPRIATION BILL (No. 1) 2026 DIVISION 10 DEPARTMENT OF PREMIER AND CABINET

Legislative Council Estimates Committee A examined the Estimates of the Department of Premier and Cabinet, the Hon Eric Abetz MP on Tuesday, 2 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 3 – Community and Government Service Delivery	
3.1 Digital Government and Information and Communications Technology (ICT) – Strategy, Policy and Service Delivery	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest'.

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR ENVIRONMENT

APPROPRIATION BILL (No. 1) 2026

DIVISION 3

ENVIRONMENT PROTECTION AUTHORITY

Legislative Council Estimates Committee A examined the Estimates of the Environment Protection Authority, the Hon Eric Abetz MP on Tuesday, 2 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 1 – Environment Protection Authority	
1.1 Environmental Regulation	FURTHER DEBATE 1. Please detail the treatment methods for heavily contaminated materials on the Macquarie Point site that pose a human health risk. How will the soil be excavated, treated and stored on site. For material that needs to be removed from site, what is the process for this and how will the risk to public health be mitigated? (CO)
1.2 Environmental Assessment	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR ENVIRONMENT

APPROPRIATION BILL (No. 1) 2026

DIVISION 8

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT TASMANIA

Legislative Council Estimates Committee A examined the Estimates of the Department of Natural Resources and Environment Tasmania, the Hon Eric Abetz MP on Tuesday, 2 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 7 – Environment	
7.1 Environmental Management	RECOMMENDED
7.2 Analytical Services	RECOMMENDED
7.4 Threatened Species	RECOMMENDED

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest'.

HON RUTH FORREST MLC
Chair



REPORT

MINISTER FOR ENVIRONMENT

APPROPRIATION BILL (No. 1) 2026

DIVISION 11

DEPARTMENT OF STATE GROWTH

Legislative Council Estimates Committee A examined the Estimates of the Department of State Growth, the Hon Eric Abetz MP on Tuesday, 2 June 2026.

The Committee examined the Estimates contained in the following Output Groups and makes the following recommendations:

Output Group 7 – Renewables, Climate and Future Industries Tasmania	
7.2 Climate Change	FURTHER DEBATE 1. Please provide a detailed breakdown of expenditure claimed by the Minister during Estimates on climate mitigation and adaptation. (CO).

The Committee further recommends the Report, together with the minutes of proceedings, responses to questions taken on notice and transcript be tabled.

A handwritten signature in black ink, appearing to read 'R. Forrest'.

HON RUTH FORREST MLC
Chair



OFFICE OF THE CLERK

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19 May 2026

MEMORANDUM FOR:

The Clerk-Assistant & Usher of the Black Rod
Legislative Council

The Legislative Council today resolved: —

That the Legislative Council establish two Estimates Committees each consisting of five members.

And that —

Ms Forrest,
Ms Glade-Wright,
Ms Lovell,
Ms O'Connor, and
Ms Thomas
be of Committee A

and

Ms Armitage,
Mr Edmunds,
Mr Gaffney,
Mr Hiscutt, and
Ms Webb
be of Committee B

That the Estimates Committees report upon the proposed expenditures contained in the Appropriation Bills (No. 1 and No. 2) 2026 and budget papers by no later than Friday, 19 June 2026.

And that the schedule emailed to Members on Monday, 18 May 2026 be adopted as the Estimates Committees timetable.

A handwritten signature in black ink, appearing to read 'C.L. Vickers'.

C.L. VICKERS
Clerk of the Legislative Council

LEGISLATIVE COUNCIL SELECT COMMITTEE

ESTIMATES A

MINUTES

TUESDAY 26 MAY 2026

The Committee met at 9:22 am in Committee Room 3, Parliament House, Hobart.

Present

Ms Forrest
 Ms Glade-Wright
 Ms Lovell
 Ms O'Connor
 Ms Thomas

Apologies

Nil

In Attendance

Ms Jenny Mannering (Secretary)
 Ms Ali Scott (Secretary)

Order of the Council

The Order of the Council establishing the Committee dated 19 May 2026 was noted.

Election of Deputy Chair

The Chair called for nominations for Deputy Chair. Ms Thomas being the only nominee, the Chair declared Ms Thomas to be duly elected Deputy Chair.

Portfolio Order and Meeting Times

Resolved, that the order of business and approximate times for each portfolio, as amended, be as follows:

MONDAY 1 JUNE 2026

HON ERIC ABETZ MP	
9:00 am – 11:00 am	Treasurer
11:00 am – 11:15 am	BREAK
11:15 am – 1:15 pm	Treasurer (cont)
1:15 pm – 2:00 pm	LUNCH
2:00 pm – 3:00 pm	Treasurer (cont)
3:00 pm – 3:10 pm	BREAK
3:10 pm – 3:40 pm	<i>Auditor-General</i>
3:40 pm – 3:45 pm	BREAK
3:45 pm – 5:00 pm	Minister for Macquarie Point Urban Renewal
5:00 pm – 5:45 pm	BREAK

HON MADELEINE OGILVIE MP	
5:45 pm – 7:45 pm	Minister for Community and Multicultural Affairs

TUESDAY 2 JUNE 2026

HON NICK DUIGAN MLC	
9:00 am – 11:00 am	Minister for Energy and Renewables
11:00 am – 11:15 am	BREAK
11:15 am – 12:15 pm	Minister for Energy and Renewables (cont)
12:15 pm – 01:00 pm	LUNCH
1:00 pm – 2:30 pm	Minister for Sports (inc. Stadiums Tax ex MPDC)
2:30 pm – 2:45 pm	BREAK
2:45 pm – 3:45 pm	Minister for Parks
3:45 pm – 4:00 pm	BREAK

HON MADELEINE OGILVIE MP (cont)	
4:00 pm – 5:00 pm	Minister for Arts and Heritage
5:00 pm – 5:30 pm	Minister for Innovation, Science and the Digital Economy
5:30 pm – 6:30 pm	<i>Environment Protection Authority</i>
6:30 pm – 7:15 pm	DINNER
7:15 pm – 9:15 pm	Minister for Environment

WEDNESDAY 3 JUNE 2026

HON BRIDGET ARCHER MP	
9:00 am – 11:00 am	Minister for Health, Mental Health and Wellbeing
11:00 am – 11:15 am	BREAK
11:15 am – 01:15 pm	Minister for Health, Mental Health and Wellbeing (cont'd)
1:15 pm – 2:00 pm	LUNCH
2:00 pm – 3:30 pm	Minister for Health, Mental Health and Wellbeing (cont'd)
3:30 pm – 3:45 pm	BREAK
3:45 pm – 4:15 pm	Minister for Ageing
4:15 pm – 5:00 pm	BREAK
5:00 pm – 6:30 pm	Minister for Aboriginal Affairs

THURSDAY 4 JUNE 2026

HON KERRY VINCENT MLC	
9:00 am – 11:00 am	Minister for Infrastructure and Transport
11:00 am – 11:15 am	BREAK
11:15 am – 1:15 pm	Minister for Infrastructure and Transport (cont'd)
1:15 pm – 2:00 pm	LUNCH
2:00 pm – 4:00 pm	Minister for Housing and Planning
4:00 pm – 4:15 pm	BREAK
4:15 pm – 6:15 pm	Minister for Local Government

Allocation of Outputs

The Committee allocated areas of responsibility to commence questioning on outputs in each portfolio.

Report Deliberations Meeting

Resolved, to meet on Tuesday, 16 June 2026 at 10:00 am for report deliberations.

Other Business

- Questions on Notice

The Committee confirmed the due dates for questions taken on notice during the hearings.

Next Meeting

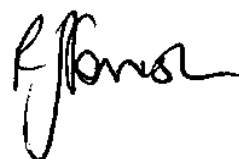
Monday, 1 June 2026 at 8:45 am in the President's Rooms, Legislative Council.

Adjournment

At 9:53 am the Committee adjourned.

DATE: 1/06/2026

CONFIRMED

A handwritten signature in black ink, appearing to read 'R. Jones', written in a cursive style.

CHAIR

LEGISLATIVE COUNCIL SELECT COMMITTEE

ESTIMATES A

MINUTES

MONDAY 1 JUNE 2026 – THURSDAY 4 JUNE 2026

MONDAY 1 JUNE 2026

The Committee met at 8:45 am in the President's Rooms, Legislative Council, Parliament House, Hobart.

Members present

Ms Forrest (Chair)

Ms Glade-Wright

Ms Lovell

Ms O'Connor

Ms Thomas (Deputy Chair)

Staff in attendance

Ms Jenny Mannering (Committee Secretary)

Ms Allison Scott (Committee Secretariat)

Confirmation of Minutes

The Minutes of the Meeting held on Tuesday 26 May 2026 were confirmed as a true and accurate record.

Correspondence

Outgoing

1. Letters dated 26 May 2026 advising Ministers of their attendance at Estimates A 2026.
2. Letters dated 26 May 2026 to the Auditor-General and Environment Protection Authority extending invitation to attend Estimates A 2026 hearing.
3. Letter dated 26 May 2026 to Hon Craig Farrell, MLC, President of Legislative Council advising extension of meeting times for Estimates A.

The Committee **ENDORSED** the outgoing correspondence.

The Committee suspended at 8:59 am.

The Committee resumed at 9:00 am in the Legislative Council Chamber, Parliament House, Hobart.

EXAMINATION OF ESTIMATES

According to the Order the Treasurer attended the Committee.

HON ERIC ABETZ MP

Treasurer

Minister for Macquarie Point Urban Renewal

Division 13 – Department of Treasury and Finance

Treasurer

\$63 788 000

Witnesses

Gary Swain, Secretary

James Craigie, Deputy Secretary, Budget and Finance

Dean Burgess, Deputy Secretary, Economic and Financial Policy

The witnesses took their places at the table at 09:00 am

The Treasurer did not provide an overview.

Output Group 1 – Financial and Resource Management Services

1.1 Budget Development and Management – considered

Questions on Notice

1. Can the Treasurer provide a full answer to the questions so far not answered by the Government in relation to the cost of senior executives in the State Service? (BT)

2. The SSMO document 'Managing Positions in the State Sector' (April 2026) requires agencies to report on implementation of workforce reductions. In 2014-15, Treasury published quarterly public reports on savings implementation - reports that are no longer available on the Treasury website.

a) Will the Treasurer commit to reinstating quarterly public reporting on savings delivery with personal identifying information redacted? (RF)

3. Provide the number of Treasury cadets, graduates and trainees over last 5 years? (RF)

4. When was the last formal review of the GST forecasting model undertaken by Treasury? (RF)

5. I understand there has been written communication from you to Audit Tasmania regarding the commitment to the former Member for Huon. Please provide a copy of that letter to the Auditor-General, and correspondence from the Auditor-General to Treasury. (RF)

6. Was the Treasurer aware former Minister Ogilvie had a matter before the Supreme Court before her resignation from Cabinet 28 May 2026? (CO)

7. Was the Treasurer aware, prior to former Minister Ogilvie's appearance in Legislative Council Estimates Committee A on 17 November 2025, that she had initiated Court proceedings? (CO)

1.2 Financial Management and Accounting Services – considered

The Committee suspended at 11:02 am

The Committee resumed at 11:15 am

Question on Notice

1. What is the estimated outcome cost of election commitments in 2025-26? (BT)

1.3 Shareholder Advice on Government Businesses – considered

Question on Notice

1. Does the Government hold any kind of veto power over the GBE Corporate Planning processes? For examples Does TasWater require Government support for its corporate plan, or can TasWater just ignore the government? (SL)

2. On 25 March this year, I understand you voted for a motion which called on you to withdraw your support for TasWater's corporate plan. Have you done that? If not, why not?(SL)

3. From the income tax equivalent payments disclosed for Hydro Tasmania in Budget Paper 1, it is possible to calculate the implied underlying pre-tax profit: approximately \$35.7 million in 2025-26 rising to \$515 million by 2029-30.

- What is the forecast wholesale price trajectory that has been used, what is the anticipated exit of coal fired-energy, and has Treasury stress-tested the dividend assumptions against scenarios where wholesale prices do not improve as forecast, where coal exit is delayed or where Basslink availability is constrained? (RF)

4. Which Government businesses have received equity contributions, and which have had loan guarantees in each of the past five years and what is the amount of each, for each GBE? (CO, BT)

5. When did the Treasury and NRE review of the Tasracing deed commence and what are the Terms of Reference? (BT)

1.4 Government Property and Accommodation Services – considered

1.5 Government Procurement Services – considered

Question on Notice

1. In relation to the 2 complaints received by Treasury regarding procurement in the last financial year, which agency did they relate to and what was the nature of the complaints? (SL)

Output Group 2 – Economic and Fiscal Policy Advice

2.1 Economic Policy Advice – considered

The Committee suspended at 1:15 pm

The Committee resumed at 2:00 pm

2.2 Regulatory Policy – considered

Question on Notice

Witness

Jonathon Root, Deputy Secretary, Revenue and Regulatory Services

The witness took his place at 2:02 pm

2.3 Intergovernmental Financial Matters – considered

Output Group 3 – Revenue, Superannuation and Regulatory Management Services

3.1 Tax Administration and Revenue Collection – considered

3.2 Regulation and Administration of Liquor and Gaming – considered

3.4 Office of the Superannuation Commission – considered

3.5 Administration of Grants, Subsidies and Concessions – considered

Question on Notice

1. Of the successful FHOAG applications in 2024-2025 and 2025-2026 (to date), how many were for new builds, and how many for existing properties? (SL)

Output Group 4 – Community Assistance

4.1 Public Trustee Community Service Obligation – considered

The witnesses withdrew at 2:28 pm

Division 4 – Finance-General

Treasurer

\$1 291 232 000

Witnesses

Gary Swain, Secretary

James Craigie, Deputy Secretary, Budget and Finance

Dean Burgess, Deputy Secretary, Economic and Financial Policy

The Treasurer did not provide an overview.

Output Group 1 – Debt Servicing and Management

- 1.1 Debt Servicing – considered
- 1.2 Interest on Sundry Deposits – considered

Output Group 2 – Employee Related Costs

- 2.1 Superannuation and Pensions – considered

Output Group 3 – Government Businesses

- 3.1 Sustainable Timber Tasmania – considered
- 3.2 State Fire Commission – considered
- 3.4 Government Businesses – considered

Question on Notice

1. Given the explanation given for no reduction in Point of Consumption tax despite the plan to cease greyhound racing in Tasmania, has the Government any modelling or research into the behaviours of consumers that would support the expectation that there will be no reduction in wagering on racing by Tasmanians? (SL)

Output Group 4 – Miscellaneous

- 4.2 Treasurer's Reserve – considered
- 4.3 Miscellaneous – considered
- 4.4 Payment to Australian Tax Office: GST Administration – considered
- 4.5 Tasmanian Risk Management Fund – considered
- 4.7 Property Management Services – considered
- 4.8 Infrastructure Investment Project Planning – considered
- 4.9 Ex-Gratia Assistance – considered

Question on Notice

1. How much has been paid out of the ex-gratia payments line this year to date? What were they for? (RF)

- 4.12 Home Warranty Insurance Scheme – considered

Grants and Subsidies – considered

Capital Investment Program – considered

The witnesses withdrew at 3:04 pm.

The Committee suspended at 3:04 pm.

The Committee resumed at 3:10 pm

Bill No 2/Division 8 – Tasmanian Audit Office

Treasurer

\$2 430 000

Witnesses

Martin Thompson, Auditor-General

Jonathan Wassell, Deputy Auditor-General

Janelle Tamlin, Director of Corporate Support and Strategy

The witnesses took their places at the table at 3:10 pm

The Auditor-General provided an overview.

Output Group 1 – Public Sector Performance and Accountability

1.1 Public Sector Performance and Accountability – considered

Question on Notice

1. Please provide the correspondence from you to the Treasurer regarding your budget. (RF)

The witnesses withdrew at 3:40 pm.

The Committee suspended at 3:40 pm

The Committee resumed at 3:45 pm

Division 10 – Department of Premier and Cabinet

Minister for Macquarie Point Urban Renewal

\$6 500 000

Witnesses

Matt Healey, Deputy Secretary, Strategy and Delivery, DPAC

Anne Beach, Chief Executive Officer, Macquarie Point Development Corporation

James Avery, Chief Executive Officer, Stadiums Tasmania

The witnesses took their places at the table at 3:46 pm

The Minister for Macquarie Point Urban Renewal provided an overview.

Grants and Subsidies – considered

Questions on Notice

1. Please provide a list of amendments to the Club Development Funding Agreement between the Government and AFL. (BT)

2. In relation to the proposed Macquarie Point stadium, can the Minister confirm the P90 assessment referenced in the 4 December letter to the Hon Member for Elwick was to an Australian Industry Standard. (CO)

The witnesses withdrew at 5:00 pm.

The Committee suspended at 5:02 pm

The Committee resumed at 5:22 pm

EXAMINATION OF ESTIMATES

According to the Order the Minister attended the Committee.

HON ERIC ABETZ MP

Acting Minister for Community and Multicultural Affairs

Division 10 – Department of Premier and Cabinet

Minister for Community and Multicultural Affairs

\$33 079 000

Witnesses

Noelene Kelly, Deputy Secretary

Corrina Smith, Director, Community Services

The witnesses took their places at the table at 5:20 pm

The Minister for Community and Multicultural Affairs provided an overview.

Output Group 3 – Community and Government Service Delivery

3.3 Community Services – considered

Tabled Document

Output 3.3 Community Services Industry Funding

Questions on Notice

1. Of all community service funding agreements administered by the Department, what proportion are:

- Less than one year;
- One to three years; and
- Five years or more? (SL)

2. Provide a breakdown of salaries and non-salary items and any other funding separately that make up the departmental costs that are not provided to community services organisations. (RF)

The witnesses withdrew at 7:15 pm.

RESOLVED, That the additional information in Bill No.1 Divisions 4, 10 and 13 and Bill No. 2 Division 8 be requested to be provided by Friday 5 June 2026.

The Committee suspended at 7:30 pm until 9:00 am on Tuesday 2 June 2026.

The Committee resumed at 9:00 am in the Legislative Council Chamber, Parliament House, Hobart

Members present

Ms Forrest (Chair)

Ms Glade-Wright

Ms Lovell

Ms O'Connor

Ms Thomas (Deputy Chair)

Staff in attendance

Ms Jenny Mannering (Committee Secretary)

Ms Allison Scott (Committee Secretariat)

EXAMINATION OF ESTIMATES

According to the Order the Minister attended the Committee.

HON NICK DUIGAN MLC

Minister for Energy and Renewables

Minister for Sport

Minister for Parks

Division 11 – Department of State Growth

Minister for Energy and Renewables

\$17 978 000

Witnesses

Shane Gregory, Acting Secretary, Department of State Growth

Amanda Lovell, Chief of Staff

Vanessa Pinto, Deputy Secretary, ReCFIT and Resources

Sean Terry, Executive Director, Energy

The witnesses took their places at the table at 9:00 am

The Minister for Energy and Renewables provided an overview.

Output Group 7 – Renewables, Climate and Future Industries Tasmania

7.1 Energy and Renewables – considered

Question on Notice

1. Provide an expense and an appropriation breakdown for line item 7.1 across all areas of cost met through this output group over the forward estimates. (RF)

2. What costs or factors flow into the Administrative Parameter Adjustments for State growth referenced on p. 127 Budget Paper 1 in the Policy and Parameter Statement and please provide a breakdown of the \$80.7million for 2026/27, the \$29.5million for 2027/28 and the \$53.6million for 2028/29 financial years. (RF)

3. Was modelling undertaken before the approval of Marinus of:

- a. directional pools;
- b. residue allocation;
- c. the importer-favoured rule undertaken; and/or

- d. expected northward and southward pool values over the life of Marinus?
2. If so, please provide copies of the relevant modelling outcomes. (RF)

4. Exactly how much Federal funding from ARENA, CEFC and other Federal programmes has been allocated to Tasmania for Marinus link/NW Transmission Lines and Battery of the Nation Since 2017. (CO)

5. Please provide a copy of the correspondence to fuel companies requesting information on fuel supply. (BT)

6. Please provide the list of 12 TasNetworks directly connected customers. (RF)

Tabled Documents

Project Agreement for Marinus Link

Support for Project Marinus and the Delivery of Tarraleah Hydro Power Scheme Redevelopment

The Committee suspended at 11:00 am

The Committee resumed at 11:15 am

The witnesses withdrew at 12:15

The Committee suspended at 12:15 pm

The Committee resumed at 1:00 pm

Division 11 – Department of State Growth

Minister for Sport

\$196 761 000

Witnesses

Shane Gregory, Associate Secretary, Department of State Growth

Amanda Lovell, Chief of Staff

Brett Stewart, Deputy Secretary, Creative Industries, Sport and Visitor Economy

Alex Barber, Director, Major Infrastructure Projects (from 1:22 pm to 2:13 pm)

Jamie Synnott, Acting Director, Active Tasmania (from 2:09pm to 2:13 pm)

The witnesses took their places at the table at 1:00 pm

The Minister for Sport provided an overview.

Output Group 5 – Cultural and Tourism Development

5.6 Sport and Recreation – considered

Question on Notice

1. Can you please provide a copy of the Jack Jumpers High Performance Training Centre Lease Agreement? (BT)

2. What proportion of funding in the 5.6 line item is allocated to the Tasmania Devils Football Club across the forward estimates? (BT)

Tabled Documents

Operational Efficiencies and Other Notes

Current Specific Purpose Funding to sporting organisations

Grants and Subsidies – considered

Capital Investment Program – considered

Stadiums Tasmania – considered

Witness

James Avery, CEO Stadiums Tasmania

Question on Notice

1. Clause 1.3(e) of the MyState Bank Arena lease agreement provides for a Government contribution of \$175,000 per annum to LK Stadiums (Tas) to support non-commercial hiring arrangements (the total lease fee charged to LK Stadiums (Tas) is \$200,000).

a) How much has been paid to LK Group per annum under this provision to date?

b) On what evidence of use of and compliance with the non-commercial hiring agreement requirements was each payment approved? (BT)

The witnesses withdrew at 2:32 pm.

The Committee suspended at 2:32 pm

The Committee resumed at 2:45 pm

Division 8 – Department of Natural Resources and Environment Tasmania

Minister for Parks

\$123 099 000

Witnesses

Louise Wilson, Deputy Secretary, Environment, Heritage and Land (2:45 pm – 3:20 pm)

Stuart Fletcher, General Manager (Land Tasmania) (2:45 pm – 3:20 pm)

Sophie Muller, Deputy Secretary, Parks and Wildlife Service (3:20 pm)

The witnesses took their places at the table at 2:45 pm

The Minister for Parks provided an overview.

Output Group 1 – Land Tasmania

1.1 Land Titles, Survey and Mapping Services – considered

1.2 Valuation Services – considered

Output Group 4 – Parks

4.1 Parks – considered

4.2 Crown Land Services – considered

Grants and Subsidies – considered

Capital Investment Program – considered

Royal Tasmanian Botanical Gardens – considered

The witnesses withdrew at 3:48 pm.

The Committee suspended at 3:48 pm

The Committee resumed at 4:15 pm

EXAMINATION OF ESTIMATES

According to the Order the Minister attended the Committee.

HON ERIC ABETZ MP (examination continued)

Minister for Arts and Heritage
Minister for Innovation, Science and the Digital Economy
Minister for Environment

Division 8 – Department of Natural Resources and Environment Tasmania

Minister for Arts and Heritage

\$8 315 000

Witnesses

Louise Wilson, Deputy Secretary, Environment, Heritage and Land (4:15 pm – 4:59)

Will Joscelyne, General Manager, Heritage (4:15 pm – 4:59)

Melissa Ford, Director, Heritage Tasmania (4:15 pm – 4:59)

The witnesses took their places at the table at 4:15 pm

The Minister for Arts and Heritage provided an overview.

Output Group 6 – Heritage

6.1 Historic Heritage – considered

Questions on Notice

1. Please provide a copy of the correspondence sent to Mr Hackett regarding the timelines and scope of the information they require to complete a heritage assessment . (RF)

Grants and Subsidies – considered

The witnesses withdrew at 4:59 pm.

Division 11 – Department of State Growth

Minister for Arts and Heritage

\$33 386 000

Witnesses

Brett Stewart, Deputy Secretary (5:01 pm – 5:20)

Dr David Sudmalis, Director, Creative Tasmania (5:01 pm – 5:20 pm)

Mary Mulcahy, CEO, Tasmanian Museum and Art Gallery (5:01 pm – 5:20 pm)

The witnesses took their places at the table at 5:01 pm

Questions on Notice

1. Minister, you confirmed your Chief of Staff has seen the email related to the request not to use or wear strong fragrances when appearing at Estimates hearings. Please advise who your Chief of Staff shared that email with. (RF)

Output Group 5 – Cultural and Tourism Development

5.1 Tasmanian Museum and Art Gallery – considered

5.2 Arts Industry Development – considered

Questions on Notice

1. The Arts Industry Development budget line for 2026-27 is \$9 million. Can the Minister provide a complete breakdown of this figure, including:

- the amount allocated to competitive grants;
- the amount allocated to four-year funded organisations;
- the amount allocated to the Premier's Arts Prize;
- the amount allocated to other initiatives including the Tasmanian Strategic Touring Fund; and
- the quantum of the grant to the Queen Victoria Museum and Art Gallery (RF)

5.3 Screen Industry Development – considered

Question on Notice

1. Please provide a copy of the cultural review into Screen Tasmania (CGW)

Grants and Subsidies – considered

Capital Investment Program – considered

The witnesses withdrew at 5:16 pm.

Division 10 – Department of Premier and Cabinet

Minister for Innovation, Science and the Digital Economy

\$2 905 000

Witnesses

Dr Justin Thurley, Chief Information Officer

Mike Mogridge, Deputy Secretary, Department of State Growth

Matt Healey, Deputy Secretary, Strategy and Delivery, DPAC

The witnesses took their places at the table at 5:20 pm

The Minister for Innovation, Science and the Digital Economy provided an overview.

Output Group 3 – Community and Government Service Delivery

3.1 Digital Government and Information and Communications Technology (ICT) – Strategy, Policy and Service Delivery – considered

Question on Notice

1 Will the Government commit that essential services remain available by phone, paper and in-person channels, not only through websites, apps or QR codes? (SL)

The witnesses withdrew at 5:40 pm.

Division 3 – Environment Protection Authority

Minister for Environment

\$17 687 000

Witnesses

Catherine Murdoch, CEO, Environment Protection Authority

Daryl Cook, Director, Finfish Compliance, EPA

Cindy Ong, Director, Environmental Regulation, EPA

Amanda Locatelli, Director Environmental Assessments

The witnesses took their places at the table at 5:43 pm

The Minister for Environment provided an overview.

Output Group 1 – Environment Protection Authority

1.1 Environmental Regulation – considered

Question on Notice

1. Please detail the treatment methods for heavily contaminated materials on the Macquarie Point site that pose a human health risk. How will the soil be excavated, treated and stored on site. For material that needs to be removed from site, what is the process for this and how will the risk to public health be mitigated? (CO)

1.2 Environmental Assessment – considered

The witnesses withdrew at 6:29 pm

Division 8 – Department of Natural Resources and Environment Tasmania

Minister for Environment

\$17 484 000

Witnesses

Jason Jacobi, Secretary, Natural Resources and Environment

Louise Wilson, Deputy Secretary, Natural Resources and Environment

Holly Mackey, Acting CEO Tasmanian Waste and Resource Recovery Board (8:16 – 8:20 pm)

Jo Crisp, General Manager, Environment (8:22 – 8:26 pm, 8:35)

Damien Norman, Manager (Analytical Services) (8:30 – 8:34 pm)

Dr Rachael Alderman, Director (Threatened Species and Biodiversity) (8:36 – 8:52 pm)

The witnesses took their places at the table at 7:19 pm

The Minister for Environment provided an overview.

Output Group 7 – Environment

7.1 Environmental Management – considered

Question on Notice

1. Please provide a breakdown of the line item (RF).

2. Does NRE monitor PCBs within effluent that is dispersed into the environment, or is this dispersal and policy relating to dispersal of effluent into the environment the responsibility of the EPA only? (CO)

7.2 Analytical Services – considered

7.4 Threatened Species – considered

Questions on Notice

1. How much funding is allocated in this financial year to orange bellied parrot monitoring and tracing. (CO)

Capital Investment Program – considered

Division 11 – Department of State Growth

Minister for Environment

\$3 294 000

Witnesses

Vanessa Pinto, Acting CEO Renewables, Climate and Future Industries Tasmania

Dr Sarah Russell, Director, Climate Change

The witnesses took their places at the table at 8:57 pm

The Minister for Environment provided an overview.

Output Group 7 – Renewables, Climate and Future Industries Tasmania

7.2 Climate Change – considered

Question on Notice

1. Please provide a detailed breakdown of expenditure claimed by the Minister during Estimates on climate mitigation and adaptation. (CO).

2. Why hasn't the Government committed to implementing any recommendations of the Climate Change (State Action) Act. Please provide the full response to this referred to during the hearing. (BT)

Tabled Document

Breakdown of \$250 000 000

The witnesses withdrew at 9:15 pm.

Correspondence

Outgoing

1. Letter dated 1 June 2026 advising Hon Eric Abetz MP (Treasurer) regarding the QONs taken during the examination
2. Letter dated 1 June 2026 advising Hon Eric Abetz MP (Minister for Community and Multicultural Affairs) regarding the QONs taken during the examination
3. Letter dated 1 June 2026 advising Martin Thompson, Auditor-General regarding QONS taken during the examination
4. Letter dated 2 June 2026 advising Hon Nick Duigan MLC (Minister for Sport) regarding QONs taken during the examination

The Committee **ENDORSED** the outgoing correspondence.

Resolved, That the additional information in Divisions 3, 8, 10 and 11 be requested to be provided by Monday 8 June 2026.

The Committee suspended at 9:30 pm until 9:00 am on Wednesday 3 June 2026.

The Committee resumed at 9:00 am in the Legislative Council Chamber, Parliament House, Hobart

Members present

Ms Forrest (Chair)

Ms Glade-Wright

Ms Lovell

Ms O'Connor

Ms Thomas (Deputy Chair)

Staff in attendance

Ms Jenny Mannering (Committee Secretary)

Ms Allison Scott (Committee Secretariat)

EXAMINATION OF ESTIMATES

According to the Order the Minister attended the Committee.

HON BRIDGET ARCHER MP

Minister for Health, Mental Health and Wellbeing

Minister for Ageing

Minister for Aboriginal Affairs

Division 5 – Department of Health

Minister for Health, Mental Health and Wellbeing

\$2 373 860 000

Witnesses

Dale Webster, Secretary, Department of Health

Sally Badcock, Associate Secretary, Department of Health

Prof. Dinesh Arya, Deputy Secretary CQRA, Chief Medical Officer and Chief Psychiatrist

Craig Jeffery, Chief Financial Officer (10:03 - 10:28 am)

Professor Kate Burbury, Chief Executive of Hospitals South (12:24 pm - 1:15 pm)

Nicole Ashworth, Chief Executive Ambulance Tasmania (2:27 pm – 2:55 pm)

Mark Veitch, Director Public Health (2:55 pm – 3:27 pm)

The witnesses took their places at the table at 9:00 am.

The Minister for Health, Mental Health and Wellbeing provided an overview.

Output Group 1 – System Management

1.1 System Management - Health – considered

Question on Notice

1. Please provide a breakdown of the funding outlined in 1.1, including any grants or other funding items ending each year. (SL)

2. Please provide a copy of measures identified to meet Operation Efficiencies, including amount of saving identified, by year. (SL)

3. 1.1 How much of the \$118m spent to date on Horizon 1 of the Bluegum Project was spent on 'labour hire' contracts? (BT)

4. Provide a copy of the Independent Report undertaken in 2023/24 on the HRIS project. (RF)
5. Please provide a detailed breakdown of expenditure on the HRIS during the full period it was the responsibility of the Health Department. Please include the number of FTEs dedicated to the project and vendor/contract costs. (CO)
6. Provide a full breakdown of numbers in the Policy and Parameter Statement of the Health Administrative Parameter Adjustments for the 2026/27, 2027/28 and 2028/29 Financial Years. (RF)
7. What is the total cost of the 29 SES and Specialist roles in the Department of Health? (BT)
8. Does the Department of Health have any contracts or advisory arrangements with any Palantir Technologies Inc associated companies? If so, what is the nature of that contract or arrangement? (CO)
9. What will you do as Minister to protect the entitlement to presumptive Post Traumatic Stress Disorder/Injury workers compensation for first responders? Is this a policy you remain committed to? (SL)
10. Please provide the data on numbers of THS staff working in the three public hospitals who are on sick leave, or long term leave due to illness or injury. (CO)
11. Please provide workers compensation numbers for the years 2023-24, 2024-25, 2025-26 and 2026 to date. (CO)

[Ms Forrest left her place at 12:36 pm]

- 1.2 System Management – Mental Health and Wellbeing – considered

Output Group 2 – Health Services

- 2.1 Admitted Services – considered

Question on Notice

1. Please provide a list and outline of all programs that will be included in the new Intermediary Care portfolio. (SL)

- 2.2 Non-admitted Services – considered

Question on Notice

1. What is the current processing time for reporting of x-rays statewide, both for in house and contracted services (i.e. targets, and are they being met)? (SL)

- 2.3 Emergency Department Services – considered

Question on Notice

1. Does the Health Department have in place any air cleaning measures, including HEPA filters or UV light technology, in any Emergency Department waiting room across the three major public hospitals?

- a) If so, what type of technology or measures are in place?
- b) How is the air quality in Emergency Department waiting rooms measured in order to prevent nosocomial transmission of infectious diseases to staff and patients?.
- c) What is the Department of Health's policy and practice to protect staff and patients from preventable nosocomial infections within Emergency Department settings? (CO)

- 2.4 Community Health Services – considered

[Ms Forrest resumed her place at 1:17 pm]

The Committee suspended at 1:18 pm

The Committee resumed at 2:00 pm

Question on Notice

1. How many breast screens were performed in the last financial year that both mobile units were operating? How many were performed in the most recent period available? (SL)
2. Please provide a breakdown of funding across the different community health services funded through the 2.4 appropriation. (BT)
3. Please provide an indication of any specific initiatives for which funding is ending in the 2.4 appropriation in 2027-28, and the amount of funding allocated to these initiatives in 2026-27. (BT)
4. How much in total is the government investing in breast screen services in 2026-27 and over the forward estimates? (BT)

2.6 Ambulance services – considered

Question on Notice

1. Please provide a breakdown by category and region of ambulance call outs/responses to end of March 2026, and for previous financial year (SL)
2. Please provide the median response time for ambulances, by region and category, to end of March 2026 and for previous financial year. (SL)
3. How many times in the past year have Ambulance Tas resources been used to attend private events (contracted) (SL)
 - a) How much revenue has been raised through these contracts?
 - b) On how many occasions have resources been diverted from AT to private contracted events and left AT short?
4. How many times has Ambulance Tasmania been private contract events? How much revenue Raised? (SL)
5. What is the total number of hours of overtime worked by paramedics in 2025-26 to date?
 - a) How much has been spent on paramedic overtime in the first five months of 2025 and how does that compare to the first five months of 2026? (CO)
6. How many paramedics are on extended sickness or injury leave, or workers compensation leave, as at 3 June 2026? (CO)

2.7 Public Health Services – considered

Question on Notice

1. Has there been any increase in hepatitis A, B or C rates in children under the age of 18 in Tasmania since 1 January 2020?
 - a) What is the current number of children with any diagnosed form of hepatitis? (CO)
2. Similarly, has there been any increase in diabetes 1 or 2 in children under the age of 18 since 1 January 2020?
 - b) What data is available on childhood diabetes rates and/or prevalence in Tasmania? (CO)

2.5 Statewide and Mental Health Services – considered

Question on Notice

1. Please provide regional data related to access of all services provided under Perinatal Mental Health services. (RF)

Capital Investment Program – considered

The witnesses left the table at 3:42 pm.

The Committee suspended at 3:42 pm

The Committee resumed at 3:55 pm

Minister for Ageing

Dale Webster, Secretary, Department of Health

Jen Duncan, Deputy Secretary Community Mental Health and Wellbeing

Noelene Kelly, Deputy Secretary, Community and Government Services

Corrina Smith, Director, Community Services

The witnesses took their places at the table at 3:55 pm.

Question on Notice

1. In the Older Tasmanians Action Plan, which agency is responsible for each of the actions? (SL)

The witnesses left the table at 4:15 pm.

The Committee suspended at 4:15 pm

The Committee resumed at 4:21 pm

Division 8 – Department of Natural Resources and Environment Tasmania

Minister for Aboriginal Affairs

\$4 024 000

Witnesses

Jason Jacobi, Secretary

Louise Wilson, Deputy Secretary, Environment, Heritage and Land, NRE

Will Jocelyne, General Manager (Heritage) NRE

The witnesses took their places at the table at 4:21 pm

The Minister for Aboriginal Affairs provided an overview.

Output Group 6 – Heritage

6.2 Aboriginal Heritage – considered

The witnesses left the table at 4:45 pm

Division 10 – Department of Premier and Cabinet

Minister for Aboriginal Affairs

\$2 935 000

Witnesses

Mellissa (Mel) Gray, Deputy Secretary, Policy, and Reform, DPAC

Caroline Spotswood, Director, Aboriginal Partnerships

The witnesses took their places at the table at 4:47 pm

The Minister for Aboriginal Affairs provided an overview.

Output Group 1 – Policy Reform and Government Priorities

1.6 Aboriginal Affairs – considered

The witnesses left the table at 5:24 pm

Correspondence

Outgoing

1. Letter dated 2 June 2026 advising Hon Nick Duigan MLC (Minister for Energy and Renewables) regarding the QONs taken during the examination
2. Letter dated 2 June 2026 advising Hon Eric Abetz MP (Minister for Arts and Heritage) regarding the QONs taken during the examination
3. Letter dated 2 June 2026 advising Hon Eric Abetz MP (Minister for Innovation, Science and Digital Technology) regarding the QONs taken during the examination

The Committee **ENDORSED** the outgoing correspondence.

Resolved, That the additional information in Division 5 be requested to be provided by Tuesday 9 June 2026.

The Committee suspended at 5:42 pm until 9:00 am on Thursday 4 June 2026.

The Committee resumed at 9:00 am in the Legislative Council Chamber, Parliament House, Hobart.

Members present

Ms Forrest (Chair)

Ms Glade-Wright

Ms Lovell

Ms O'Connor

Ms Thomas (Deputy Chair)

Staff in attendance

Ms Jenny Mannering (Committee Secretary)

Ms Allison Scott (Committee Secretariat)

EXAMINATION OF ESTIMATES

According to the Order the Minister attended the Committee.

HON KERRY VINCENT MLC

Minister for Infrastructure and Transport

Minister for Housing and Planning

Minister for Local Government

Division 11 – Department of State Growth

Minister for Infrastructure and Transport

\$477 653 000

Witnesses

Tim Lovibond, Chief of Staff

Shane Gregory, Acting Secretary, Department of State Growth (9:00 am – 1:06pm)

Cynthia Heydon, Deputy Secretary, Transport, Department of State Growth (9:00 am – 1:06pm)

Ben Maloney, Executive Director, Major Transport Projects (9:00 am – 1:06 pm)

Lia Morris, Chief Executive Officer, MAST (1:07 – 1:15 pm)

The witnesses took their places at the table at 9:00 am

The Minister for Infrastructure and Transport provided an overview.

Output Group 2 – Infrastructure and Transport Services

2.1 Infrastructure Strategy and Delivery – considered

Question on Notice

1. What is the total cost of Head of Agency and 45 SES positions in the Department of State Growth. (BT)

2. What is the total cost of the 18 Band 9 positions in the Department of State Growth? (BT)

3. How many staff currently process RTI requests in the Department of State Growth? How will the Department improve processing times and comply with the law if with a reduction in jobs as forecast under the Government's planned machinery of government changes? (SL)

4. In relation to the road widening of the Tasman Highway at Cambridge as part of the South East Traffic Solution:

- a) Please provide a copy of the documentation provided to the Commonwealth for assessment under the Environment Protection and Biodiversity Protection (EPBC) Act 1993, including the map of Habitat Critical to the Survival of the Species (HCSS) of two critically endangered orchids.
- b) Please confirm the DCCEEW has received from DSG an assessable project on the proposed road widening.
- c) Has the Department of State Growth produced a map of HCSS of the breeding masked owls in Milford Forest, for submission to the Commonwealth DCCEEW? If so, please provide a copy.
- d) The Minister and officials confirmed offsets for any impacts on critically endangered species and habitat are proposed. What are those offsets, and where are they proposed?
- e) What is the total expenditure on environmental consultants since the project was announced in June 2018, and which consultancies have been contracted to undertake this work? (CO)

2.2 Road User Services – considered

2.3 Passenger Transport – considered

Output Group 6 – Subsidies and Concessions

6.1 Shipping and Ferry Subsidies – considered

6.2 General Access Services – considered

Question on Notice

1. Please provide details of the timeline for the delivery of officially trained Transit Officers on buses, and an explanation of the reason why it has taken more than three years to have them authorised and appointed. (BT)

6.3 School Bus Services – considered

Question on Notice

1. How many reports of reaching or exceeding operational or seated capacity as required under contracts has the Department received in the last 12 months? (SL)

*Ms O'Connor left her place at 12:47 pm
Ms O'Connor resumed her place at 12:57 pm
Ms O'Connor left her place at 12:59 pm*

Grants and Subsidies – considered

Capital Investment Program – considered

Questions on Notice

1. Can you please provide a list of bus stops that are going to get an upgrade along the Huon and Channel Highways. (CGW)

2. Can you please provide an update of the proposed improvements to the Sandfly Rd and Channel Highway intersection, and timeframes for expected completion. (CGW)

3. Please provide the total cost (or estimated cost) of the Southern Outlet fifth lane project, broken down by stage. (SL)

Marine and Safety Tasmania – considered

The witnesses withdrew at 1:18 pm.

The Committee suspended at 1:18 pm

The Committee resumed at 2:00 pm

Homes Tasmania – considered

Witnesses

Shane Gregory, Acting Secretary, Department of State Growth (2:00 – 2:53 pm)

Anthony Reid, Acting Deputy Secretary, Strategy, Housing, Infrastructure and Planning

Ben Wilson, Chief Executive Officer, Homes Tasmania

Jessemy Stone, Director Housing Policy and Programs, Homes Tasmania

The Minister for Housing and Planning provided an overview.

Question on Notice

1. How many maintenance contractors are on the Homes Tasmania Contractor Panel per region, and who are they? (BT)
2. How many property titles does Homes Tasmania own? (CO)
3. How many houses does Homes Tasmania own? (CO)
4. How many property titles for Homes Tasmania properties are held by community housing providers under tenancy management agreements? (CO)
5. How many titles have been transferred to community housing provider ownership? (CO)

The witnesses took their places at the table at 2:00 pm

The witnesses withdrew at 2:56 pm

Division 11 – Department of State Growth

Minister for Housing and Planning

\$148 378 000

Witnesses

Anthony Reid, Acting Deputy Secretary, Strategy, Housing, Infrastructure and Planning

Sean McPhail, Acting Director, State Planning Office

Richard Gilmour, Director Community Infrastructure, Homes Tasmania (3:11 pm – 3:25 pm)

Danielle Harris, Deputy Secretary, Business Services (3:36 pm – 3:41 pm)

The witnesses took their places at the table at 2:56 pm

The Minister for Housing and Planning provided an overview.

Output Group 8 – Housing and Planning

- 8.1 Housing and Planning – considered
- 8.2 State Planning Office – considered

Question on Notice

1. Minister, how many matters relating to planning have been lodged on the “Red Tape Reduction Portal”, and what red tape have you addressed as a result? (SL)

Grants and Subsidies – considered

Division 6 – Department of Justice

Minister for Housing and Planning

\$5 224 000

Witnesses

Anthony Reid, Acting Deputy Secretary, Strategy, Housing, Infrastructure and Planning

Sean McPhail, Acting Director, State Planning Office

Claire Hynes, Senior Planning Consultant, Tasmanian Planning Commission (3:52 pm – 4:03 pm)

Robyn Pearce, Deputy Secretary, Regulation Service Delivery (3:52 pm – 4:03)

The witnesses took their places at the table at 3:52 pm

Output Group 4 – Regulatory and Other Services

4.2 Tasmanian Planning Commission – considered

The witnesses left the table at 4:03 pm

The Committee suspended at 4:03 pm

The Committee resumed at 4:20 pm

Division 10 – Department of Premier and Cabinet

Minister for Local Government

\$2 380 000

Witnesses

Tim Lovibond, Chief of Staff

Mat Healey, Deputy Secretary, Department of Premier and Cabinet

Luke Murphy-Gregory, Acting Director of Local Government, DPAC

The witnesses took their places at the table at 4:20 pm

Output Group 1 – Policy Reform and Government Priorities

1.9 Local Government – considered

The witnesses withdrew at 5:04 pm

The Committee suspended at 5:05 pm

The Committee resumed at 5:08 pm

Correspondence

Incoming

1. Letter dated 4 June 2026 from Audit Tasmania providing response to question taken on notice during the examination.

Outgoing

2. Letter dated 3 June 2026 advising Hon Bridget Archer MP (Minister for Health, Mental Health and Wellbeing) regarding QONs taken during the examination
3. Letter dated 3 June 2026 advising Hon Bridget Archer MP (Minister for Ageing) regarding QONs taken during the examination
4. Letter dated 4 June 2026 advising Hon Eric Abetz MP (Minister for Environment) regarding the QONs taken during the examination
5. Letter dated 4 June 2026 advising Hon Eric Abetz MP (Minister for Macquarie Point Urban Renewal) regarding the QONs taken during the examination
6. Letter dated 4 June 2026 advising Hon Kerry Vincent MLC (Minister for Infrastructure and Transport) regarding the QONs taken during the examination
7. Letter dated 4 June 2026 advising Hon Kerry Vincent MLC (Minister for Housing and Planning) regarding the QONs taken during the examination

The Committee **ENDORSED** the outgoing correspondence.

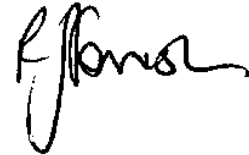
Resolved, That the additional information in Division 11 be requested to be provided by Wednesday 10 June 2026.

Next Meeting – Tuesday 16 June 2026 at 10:00 am in Committee Room 2 and via Teams.

The Committee adjourned 5:22 pm.

DATE: 16/06/2026

CONFIRMED

A handwritten signature in black ink, appearing to read 'R. Jones', written in a cursive style.

CHAIR

LEGISLATIVE COUNCIL SELECT COMMITTEE

ESTIMATES A

MINUTES

TUESDAY 16 JUNE 2026

The Committee met at 2:15 pm in Committee Room 2, Parliament House, Hobart and via Teams.

Present

Ms *Forrest* (Chair) (Teams)

Ms *Glade-Wright*

Ms *Lovell* (Teams)

Ms *O'Connor*

Ms *Thomas* (Teams)

Apologies

In Attendance

Jenny Mannering (Committee Secretary)

Ali Scott (Committee Secretariat)

Confirmation of Minutes

The Minutes of the Meeting held on Monday 1 June 2026 to Thursday 4 June 2026 were confirmed as a true and accurate record.

Correspondence

Incoming

1. Letters received 12 June 2026 from Hon Eric Abetz MP providing responses to questions taken on notice in relation to portfolios of Treasurer, Minister for Macquarie Point Urban Renewal, Acting Minister Community and Multicultural Affairs, Minister for the Arts and Heritage, Minister for Innovation, Science and the Digital Economy and Minister for Environment
2. Letters dated 12 June 2026 and 15 June 2026 from Hon Nick Duigan MLC providing responses to questions taken on notice in relation to portfolios of Minister for Sport and Minister for Energy and Renewables
3. Letters dated 12 June 2026 from Hon Bridget Archer MP, providing responses to questions taken on notice in relation to portfolios of Minister for Health, Mental Health and Wellbeing and Minister for Ageing
4. Letter dated 12 June 2026 from Hon Bridget Archer MP, Minister for Health, Mental Health and Wellbeing providing clarification in relation to Gidget House initiative
5. Letters dated 12 June 2026 from Hon Kerry Vincent MLC providing responses to questions taken on notice in relation to portfolios of Minister for Infrastructure and Transport and Minister for Housing and Planning

The Committee **RECEIVED** the incoming correspondence.

Outgoing - Nil

Consideration of Draft Reports

1. Hon Eric Abetz MP

Treasurer
Minister for Macquarie Point Urban Renewal
Acting Minister for Community and Multicultural Affairs
Minister for Arts and Heritage
Minister for Innovation, Science and the Digital Economy
Minister for Environment

2. Hon Nick Duigan MLC

Minister for Energy and Renewables
Minister for Sport
Minister for Parks

3. Hon Bridget Archer MP

Minister for Health, Mental Health and Wellbeing
Minister for Ageing
Minister for Aboriginal Affairs

4. Hon Kerry Vincent MLC

Minister for Infrastructure and Transport
Minister for Housing and Planning
Minister for Local Government

The Committee **RESOLVED** that the draft Estimate Reports were reviewed in full and amended accordingly.

Presentation of Reports

The Committee **RESOLVED** to publish all Questions on Notice responses to LC Estimates A webpage.

The Committee Secretary to receive advice regarding the confidentiality status of two attachment documents from the Minister for Health and Minister for Macquarie Point Urban Renewal.

The Committee **RESOLVED** the final reports of the Committee be presented for tabling by Ms Thomas in the Legislative Council on Friday, 19 June 2026.

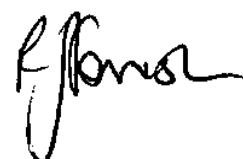
The Committee **RESOLVED** to accept the final minutes of Estimates A dated 16 June 2026.

Adjournment

At 3:15 pm the Committee adjourned sine die.

DATE 16/06/2026

CONFIRMED



CHAIR

Output 3.3 Community Services – Community Services Industry Funding

Budget Estimates 2026-27 – Minister for Community and Multicultural Affairs

The following applies to all tables:

- Funding allocations are current as at 27 May 2026. Amounts will change over time as new agreements are executed or existing agreements conclude.
- Funding figures have been rounded to the nearest whole value. Minor differences may occur due to rounding, particularly where indexation is applied.
- All figures are exclusive of GST.
- Forward estimates are indicative only.

List of Tables

Table 1: Funding to organisations by portfolio under Output 3.3 (2024-25 to 2029-30)	Pages 2-12
Table 2: 2026-27 funding from Appropriation under Output 3.3	Pages 13-14
Table 3: Community Services – Community Grants Programs	Page 15

Table 1: Funding to organisations by portfolio under Output 3.3 (2024-25 to 2029-30)

Please note:

- Text in **black** is funded from Appropriation, and text in **green** represents funding from other sources, such as the Community Support Fund (CSF) or utilisation of underspend from previous financial years.
- Table 1 presents only funding administered by the Community Services business unit in the Department of Premier and Cabinet (DPAC).
- Indexation has been included in the base/core funding, where applicable.
- The 2024-25 Budget committed 12.5 per cent indexation over four years from 2024-25:
 - 3.5 per cent in 2024-25; and
 - 3 per cent per year for the following three years (2025-26 to 2027-28).
- The base indexation rate of 2 per cent has been applied for 2028-29 and 2029-30.
- Funding received by organisations under community grants programs is not included in this Table (refer to Table 3).
- The responsible Minister for all portfolios in this Table is the Minister for Community and Multicultural Affairs, except:
 - the Older Tasmanians portfolio, for which the responsible Minister is the Minister for Ageing; and
 - the Youth portfolio, for which the responsible Minister is the Minister for Children and Youth.

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Carers									
Carers Tasmania	Peak body	Base/core	127,248	131,065	134,998	139,048	141,829	144,665	
	Peak body uplift	Time-limited	97,055	97,055*	-	-	-	-	2025-26 uplift funded from the 2025-26 Key Deliverable: Carers in Tasmania (refer to Table 2). * Previously reported as \$89,000 in 2025-26.
	Carers Week	Time-limited	20,000	20,000	20,000*	-	-	-	* Not yet confirmed. Expected to be funded from the 2024-25 Election Commitment: Carers Week
	Carer Action Plan consultation	Time-limited	-	9,725	-	-	-	-	
Community Services									
TasCOSS	Peak body	Base/core	1,096,460	1,129,354	1,163,236	1,198,133	1,222,095	1,246,537	
Family Support									
Anglicare Tasmania	Personal and Family Counselling	Base/core	222,820	229,505	236,391	243,483	248,353	253,320	
	Family Assistance Program	Base/core	80,000	80,000	80,000	80,000	80,000	80,000	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Baptcare	Community Kinship Care Base Funding	Base/core	223,614	212,717	219,099	225,671	230,185	234,789	
	Indexation correction	Time-limited	-	10,897	-	-	-	-	
	Kinship Care Support Extension (retained surplus)	Time-limited	-	204,663	209,030	-	-	-	This is funding paid in previous financial years which was not fully expended. At Baptcare's request, the funding has been carried forward to continue to deliver services until 30 June 2027.
CatholicCare Tasmania	Personal and Family Counselling	Base/core	117,652	121,182	124,816	128,561	131,132	133,755	
Early Support for Parents	Early Childhood and Parenting	Base/core	111,971	115,330	118,790	122,354	124,801	127,297	
Foster and Kinship Care Association of Tasmania (FKAT)	Support for Kinship Carers	Base/core	70,000	70,000	70,000	-	-	-	
Glenhaven Family Care	Kentish House - Service Delivery Support	Time-limited	145,000	230,000	230,000	-	-	-	
Hobart City Mission	Personal and Family Counselling	Base/core	145,206	149,562	154,049	158,670	161,844	165,081	
	Family Assistance Program	Base/core	25,000	25,000	25,000	25,000	25,000	25,000	
Launceston City Mission	Family Assistance Program	Base/core	25,000	25,000	25,000	25,000	25,000	25,000	
Lifeline Tasmania	Personal and Family Counselling	Base/core	419,154	431,729	444,681	458,021	467,182	476,525	
Mission Australia	Community Kinship Care Base Funding	Base/core	214,550	220,987	227,616	234,444	239,133	243,916	
	Indexation correction	Time-limited	-	11,320	-	-	-	-	
	Kinship Care Support Extension (retained surplus)	Time-limited	-	227,500	227,500	-	-	-	This is funding paid in previous financial years which was not fully expended. At Mission Australia's request, the funding has been carried forward to continue to deliver services until 30 June 2027.
St Vincent de Paul Society (Tas)	Family Assistance Program	Base/core	100,000	100,000	100,000	100,000	100,000	100,000	
The Salvation Army (Tasmania)	Family Assistance Program	Base/core	100,000	100,000	100,000	100,000	100,000	100,000	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Wyndarra Centre	Personal and Family Counselling	Base/core	162,562	167,439	172,462	177,636	181,189	184,813	
Financial Support									
Anglicare Tasmania	Financial Counselling	Base/core	697,126	718,040	739,581	761,768	777,003	792,543	
No Interest Loan Scheme (NILS) Network of Tasmania	NILS core funding	Base/core	776,637	799,936	823,934	848,652	865,625	882,938	
	NILS - Additional funding	Time-limited	700,000	700,000	700,000	-	-	-	
	Micro Business Loan Scheme	Time-limited	75,000	-	-	-	-	-	
	Energy Saver Subsidy	Time-limited	500,000	-	-	-	-	-	The Energy Saver Subsidy transferred to the Department of State Growth from 2025-26.
The Salvation Army (Tasmania)	Energy Hardship Fund	Base/core	350,000	350,000	350,000	350,000	350,000	350,000	
	Energy Hardship Fund - Additional funding	Time-limited	-	150,000	150,000	150,000	150,000	-	
Food Resilience									
Devonport Chaplaincy Inc trading as Loaves and Fishes Tasmania	Core funding	Time-limited	500,000	500,000	500,000	500,000	500,000	-	Funded from the 2025-26 Key Deliverable: Food Relief Strategy and Services.
	Additional funding	Time-limited	500,000	500,000	500,000	500,000	500,000	-	Funded from the 2025-26 Key Deliverable: Food Relief Strategy and Services.
	Capital investment	Time-limited	2,500,000	-	-	-	-	-	
	Severe Weather Event Emergency Funding	Time-limited	50,000	-	-	-	-	-	
	Emergency Uplift	Time-limited	-	150,000	-	-	-	-	
	Social Wholesaler funding	Time-limited	-	200,000	200,000	-	-	-	Funded from the 2025-26 Key Deliverable: Food Relief Strategy and Services.
	Additional capital grant funding	Time-limited	-	50,000	-	-	-	-	Funded from the 2025-26 Key Deliverable: Food Relief Strategy and Services.
Eat Well Tasmania	Better Together Program	Time-limited	60,000	-	-	-	-	-	
	Vehicle purchase	Time-limited	75,000	-	-	-	-	-	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Foodbank of Tasmania Inc	Core funding	Base/core	247,930	247,930	247,930	247,930	247,930	247,930	
	Top up funding	Time-limited	132,070	132,070	132,070	132,070	132,070	-	Funded from the 2025-26 Key Deliverable: Food Relief Strategy and Services.
Food Vans - Gran's Van	Core funding	Base/core	60,000	60,000	60,000	60,000	60,000	60,000	
	Top up funding	Time-limited	60,000	60,000	-	-	-	-	
	Place-based pilot initiative	Time-limited	-	210,000	-	-	-	-	
Food Vans - Launceston City Mission	Core funding	Base/core	60,000	60,000	60,000	60,000	60,000	60,000	
	Top up funding	Time-limited	60,000	60,000	-	-	-	-	
Food Vans - St Vincent de Paul Society Tas	Core funding	Base/core	60,000	60,000	60,000	60,000	60,000	60,000	
	Top up funding	Time-limited	60,000	60,000	-	-	-	-	
Gran's Van	Place Based Pilot initiative	Time-limited	-	210,000	-	-	-	-	
Launceston Independent Food Enterprise Inc (LIFE Food Hub)	Place Based Pilot initiative	Time-limited	-	210,000	-	-	-	-	
TBC	Place Based Pilot initiative	Time-limited	-	-	210,000	-	-	-	The organisation and initiative will be determined in early 2026-27 through an Expression of Interest process.
School Food Matters	Well Fed Tasmania Food Truck	Time-limited	24,000	-	-	-	-	-	
	School Lunch Pilot Program	Time-limited	859,348	-	-	-	-	-	The School Lunch Program transferred to the Department for Education, Children and Young People in 2025-26.
Gambling Harm Minimisation									
Anglicare Tasmania	Specialist Support Services - In-Person Gambling Support	Recurrent	745,859	768,235	791,282	815,021	831,321	847,947	All gambling support services are funded through the Community Support Fund (CSF).
Eastern Health	Specialist Support Services - Gamblers Helpline Tasmania	Recurrent	168,533	173,589	178,797	184,161	187,844	191,601	
NSW Government Office of Responsible Gambling	Specialist Support Services - Gambling Help Online (GHO)	Recurrent	18,010	18,550	19,292	19,871	20,268	20,674	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
LGBTIQA+ Tasmanians									
Equality Tasmania	LGBTIQA+ Framework and Action Plan	Time-limited	87,500	87,500	-	-	-	-	2026-27 funding for Equality Tasmania and Working It Out to support delivery of actions under the Action Plan to be provided from the 2025-26 Key Deliverable: LGBTIQA+ Strategy Implementation (refer to Table 2).
Working It Out	LGBTIQA+ Framework and Action Plan	Time-limited	87,500	87,500	-	-	-	-	
	LGBTIQA+ Small Community Grants Program	Time-limited	10,000	10,000	-	-	-	-	
Men's Sheds									
Tasmanian Men's Shed Association (TMSA)	Peak body	Base/core	127,257	131,075	134,988	139,038	141,818	144,655	Original commitment of \$200,000 per annum for two years (2024-25 and 2025-26). It was reprofiled at TMSA's request to be \$100,000 in 2024-25, \$200,000 in 2025-26 and \$100,000 in 2026-27.
	Peak body uplift	Time-limited	100,000	200,000	100,000	-	-	-	
Multicultural Tasmanians									
CatholicCare Tasmania	Multicultural Employment Services	Time-limited	300,000	300,000	-	-	-	-	
Chinese Community Association of Tasmania	Chinese New Year Festival	Time-limited	5,000	15,000	15,000	15,000	15,000	-	Includes funding from CPAF (refer to Table 2).
Deepavali Tasmania	Diwali Festival	Time-limited	15,000	40,000	35,000	15,000	15,000	-	Includes \$5,000 funding from the Multicultural Community Festival Small Grants Program (refer to Table 3). Includes funding from CPAF (refer to Table 2).
Glenorchy City Council	Moonah Multicultural Hub	Time-limited	75,000	75,000	75,000	-	-	-	
Glenorchy City Council	Multicultural Events (previously Moonah Taste of the World)	Time-limited	10,000	15,000	15,000	15,000	15,000	-	Funded from CPAF (refer to Table 2).
Greek Orthodox Church Hobart	Estia Greek Festival	Time-limited	-	15,000	15,000	15,000	15,000	-	Includes funding from CPAF (refer to Table 2).
Italian Community of Tasmania	Festa Italia	Time-limited	12,500	15,000	15,000	15,000	15,000	-	Includes funding from CPAF (refer to Table 2).
Multicultural Council of Tasmania (MCOT)	Peak body	Base/core	162,761	167,644	172,673	177,853	181,410	185,038	
	Peak body uplift	Time-limited	17,745	17,745	-	-	-	-	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
	Harmony Week	Time-limited	30,000	30,000	30,000	30,000	30,000	-	Includes funding from CPAF (refer to Table 2).
	Support delivery of the Multicultural Action Plan	Time-limited	130,400	-	-	-	-	-	
National Accreditation Authority for Translators (NAATI)	Tasmanian Government NAATI membership	Time-limited	17,200	16,310	15,753	15,868	15,965	16,000	
Nepali Society of Tasmania	Nepali New Year (Nava Barsha)	Time-limited	-	15,000	15,000	15,000	15,000	-	Funded from CPAF (refer to Table 2).
Migrant Resource Centre Northern Tasmania Inc trading as Welcome Cultural Services	Mersey-Leven Partnership	Time-limited	50,000	50,000	-	-	-	-	
Neighbourhood Houses									
Note: the 2027-28 Community Connector Program (CCP) funding has been brought forward to 2026-27									
Beaconsfield House	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	Community Connector Program (CCP)	Time-limited	51,253	54,280	129,358	-	9,500	-	
Bucaan Community House (Chigwell)	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Burnie Community House	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	
Central Highlands Neighbourhood House	Core funding	Time-limited	-	-	270,000	270,000	270,000	270,000	
Clarendon Vale Neighbourhood Centre	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	45,816	54,280	129,358	-	9,500	-	
Deloraine House	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	

Organisation	Funding Line/ Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Derwent Valley Community House	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	Community Connector Program (CCP)	Time-limited	47,628	54,280	129,358	-	9,500	-	
Devonport Community House	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Dorset Community Association	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Dunalley Tasman Neighbourhood House Inc	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	46,903	54,280	129,358	-	9,500	-	
Eastern Shore Community Connections (East Devonport)	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Fingal Valley Neighbourhood House	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Geeveston Community Centre	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	
George Town Neighbourhood House	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	
Goodwood Community Centre	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Jordan River Service (Bridgewater and Gagebrook)	Core funding (Bridgewater and Gagebrook)	Base/core	554,874	571,520	588,666	606,326	618,452	630,821	
	Booster funding (Bridgewater and Gagebrook)	Time-limited	100,000	100,000	100,000	-	-	-	
	Community Connector Program (CCP) - Bridgewater	Time-limited	47,628	54,280	129,358	-	9,500	-	
	CCP - Gagebrook	Time-limited	47,628	54,280	129,358	-	9,500	-	
	Gagebrook Community House	Time-limited	16,000	-	-	-	-	-	
Karadi Aboriginal Corporation	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Kingston Neighbourhood House	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	
Midway Point Neighbourhood Centre	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	46,903	54,289	129,358	-	9,500	-	
Neighbourhood Houses Tasmania	Peak body	Base/core	421,640	434,289	447,318	460,737	469,952	479,351	
	Governance Project	Time-limited	100,000	100,000	-	-	-	-	
	CCP	Time-limited	9,894	12,480	25,845	-	1,000	-	
Northern Suburbs Community Centre (Mowbray and Newnham)	Core funding (Mowbray and Newnham)	Base/core	554,874	571,520	588,666	606,326	618,452	630,821	
	Booster funding (Mowbray and Newnham)	Time-limited	100,000	100,000	100,000	-	-	-	
	CCP (Mowbray)	Time-limited	40,378	54,280	129,358	-	9,500	-	
	CCP (Newnham)	Time-limited	51,253	54,280	129,358	-	9,500	-	
Okines Community House (Dodges Ferry)	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
	Community Connector Program (CCP)	Time-limited	46,903	54,280	129,358	-	9,500	-	
Phoenix Community House (King Island)	Core funding	Base/core	172,112	177,275	182,594	186,245	189,970	193,769	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	40,378	54,280	129,358	-	9,500	-	
	Support for the King Island Community	Time-limited	74,000	74,000	74,000	74,000	-	-	
Risdon Vale Neighbourhood Centre	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	45,816	54,280	129,358	-	9,500	-	
Rokeby Neighbourhood Centre	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	45,816	54,280	129,358	-	9,500	-	
Rosebery Neighbourhood House	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	
St Helens Neighbourhood House Association	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	
Starting Point Neighbourhood House (Ravenswood)	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	51,253	54,280	129,358	-	9,500	-	
Tresca Community Centre Committee (Exeter)	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	40,378	54,280	129,358	-	9,500	-	
Ulverstone Neighbourhood House	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	47,628	54,280	129,358	-	9,500	-	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Warrane Mornington Neighbourhood Centre	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	Community Connector Program (CCP)	Time-limited	45,816	54,280	129,358	-	9,500	-	
	Community Garden	Time-limited	150,000	-	-	-	-	-	
West Moonah Community Action Group	Core funding	Base/core	277,437	285,760	294,333	303,163	309,226	315,411	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	46,903	54,280	129,358	-	9,500	-	
West Winds Community Centre (Woodbridge)	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	46,903	54,280	129,358	-	9,500	-	
Zeehan Neighbourhood Centre	Core funding	Base/core	254,217	261,844	269,699	277,790	283,346	289,013	
	Booster funding	Time-limited	50,000	50,000	50,000	-	-	-	
	CCP	Time-limited	40,378	54,280	129,358	-	9,500	-	
Older Tasmanians									
Advocacy Tasmania	Elder Abuse Helpline	Base/core	198,061	203,315	209,414	215,696	220,010	224,410	
	Advocacy	Time-limited	20,000	20,000	-	-	-	-	
Council on the Ageing (COTA) Tasmania	Peak Body	Base/core	162,759	167,642	172,671	177,851	181,408	185,036	
	Seniors Week	Time-limited	120,000	120,000	-	-	-	-	
	Action Plan	Time-limited	195,000	195,000	-	-	-	-	
	Digital inclusion for older Tasmanians	Time-limited	150,000	150,000	-	-	-	-	
	Seniors Week, advocacy services, and elder abuse prevention	Time-limited	200,000	200,000	-	-	-	-	
	Elder abuse awareness and prevention	Time-limited	100,000	100,000	-	-	-	-	
	Older Tasmanians Action Plan, including Seniors Week and digital inclusion	Time-limited	-	-	400,000	-	-	-	

Organisation	Funding Line / Name of Initiative	Funding Type	2024-25	2025-26	2026-27	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate	Notes
Migrant Resource Centre Tasmania	Elder abuse prevention programs	Time-limited	30,000	100,000	50,000	-	-	-	
Migrant Resource Centre Northern Tasmania Inc trading as Welcome Cultural Services	Elder abuse prevention programs	Time-limited	30,000	100,000	50,000	-	-	-	
Relationships Australia Tasmania	Elder Relationships Service	Time-limited	200,000	200,000	200,000	200,000	-	-	
Volunteering									
Volunteering Tasmania	Peak body base	Base/core	160,984	165,814	170,788	175,912	179,430	183,019	
	Peak body uplift	Time-limited	150,567	157,449	21,728	-	-	-	
	Volunteering Awards	Time-limited	13,226	13,226	13,226	-	-	-	
	Future of Volunteering	Time-limited	208,425	208,425	208,425	-	-	-	
	EV Crew	Time-limited	60,000	-	-	-	-	-	
Youth									
Youth Network of Tasmania Inc (YNOT)	Peak body	Recurrent	160,400	165,212	170,168	175,273	178,779	182,354	This only reflects funding in Output 3.3 administered by Community Services.
	Project funding	Time-limited	209,959	216,258	222,746	-	-	-	

Table 2: 2026-27 funding from Appropriation under Output 3.3

Please note:

- This Table excludes funding listed in Tables 1 and 3, unless otherwise indicated.
- Organisations and initiatives are listed by funding commitment year, and alphabetically within each year.

Name of Organisation / Initiative	Funding Committed	2024-25 (\$'000)	2025-26 (\$'000)	2026-27 (\$'000)	2027-28 Forward Estimate (\$'000)	2028-29 Forward Estimate (\$'000)	2029-30 Forward Estimate (\$'000)	Notes
Community Sector Organisations Indexation – Increase	2024-25 Election Commitment	537	921	1,323	1,745	-	-	
Neighbourhood Houses Capital Improvement Program	2024-25 Election Commitment	-	2,000	2,000	2,000	-	-	Original commitment of \$2 million per annum for three years (2024-25 to 2026-27). It was reprofiled to be \$2 million per annum for 2025-26 to 2027-28.
Safe Beds Program (RSPCA)	2024-25 Election Commitment	75	75	75	-	-	-	
The Islander Way – Flinders Island	2024-25 Election Commitment	200	240	160	-	-	-	Original commitment of \$200,000 per annum for three years (2024-25 to 2026-27). It was reprofiled at the request of the organisation to be \$200,000 in 2024-25, \$240,000 in 2025-26 and \$160,000 in 2026-27.
Yemaya Women's Support Service	2024-25 Election Commitment	70	60	60	-	-	-	
Beyond the Rainbow	2025-26 Key Deliverable	-	66	66	-	-	-	
Camp Clayton	2025-26 Key Deliverable	-	160	120	120	120	-	
Carers in Tasmania	2025-26 Key Deliverable	-	209	10	10	10	-	Includes funding provided to Carers Tasmania for the peak body uplift in 2025-26 in Table 1.
Community and Regions Education, Mentoring and Employment Initiatives	2025-26 Key Deliverable	-	-	100	100	100	-	
Community Participation and Appeals Fund (CPAF)	2025-26 Key Deliverable	200	350*	350*	350*	350*	-	Prior to the 2025-26 Key Deliverable, CPAF received \$200,000 per annum over four years (2019-20 to 2022-23) to support significant community events, as well as charitable appeals. * Includes funding to multicultural festivals and events (refer to Table 1).
Food Relief Strategy and Services	2025-26 Key Deliverable	-	2,034	1,550	1,550	1,550	-	Includes funding provided to Loaves and Fishes and Foodbank of Tasmania in Table 1.

Name of Organisation / Initiative	Funding Committed	2024-25 (\$'000)	2025-26 (\$'000)	2026-27 (\$'000)	2027-28 Forward Estimate (\$'000)	2028-29 Forward Estimate (\$'000)	2029-30 Forward Estimate (\$'000)	Notes
LGBTIQA+ Strategy Implementation	2025-26 Key Deliverable	-	**	202	-	-	-	** 2025-26 funding has been proposed for carry forward to 2026-27. Funding for Equality Tasmania and Working It Out to support delivery of actions under the Strategy in 2026-27 will be determined in consultation with the organisations (refer to Table 1). This funding includes \$10,000 for the Whole-of-Government Reference Group in 2026-27 for lived experience remuneration.
Multicultural Action Plan Implementation	2025-26 Key Deliverable	-	**	200	-	-	-	** 2025-26 funding has been proposed for carry forward to 2026-27. This funding includes \$10,000 for the Ministerial Multicultural Advisory Group in 2026-27 for lived experience remuneration.
Older Tasmanians Action Plan Implementation	2025-26 Key Deliverable	-	10	281	281	281	-	
Volunteering Strategy Implementation	2025-26 Key Deliverable	-	300	300	-	-	-	
Emu Valley Rhododendron Garden	2025-26 Key Deliverable and 2026-27 Key Deliverable	-	200	200	-	-	-	
Community Support Initiatives	2026-27 Key Deliverable	-	-	2,000	-	-	-	

Table 3: Community Services – Community Grants Programs

Please note:

- This Table only includes Grants Programs funded under Output 3.3.
- Lists of recipients are available on the Services Tasmania website at <https://www.service.tas.gov.au/community-grants>.
- Text in **black** is funded from Appropriation and text in **green** is from other sources, such as Community Support Fund (CSF) or utilisation of underspend from previous financial years.
- Grants programs marked with an asterisk (*) are expected but not confirmed.

Grants Program	2024-25 (\$'000)	2025-26 (\$'000)	2026-27 (\$'000)	2027-28 Forward Estimate (\$'000)	2028-29 Forward Estimate (\$'000)	2029-30 Forward Estimate (\$'000)	Notes
Agricultural Shows Small Grants Fund	167	167	166	-	-	-	Administered by the Community Grants unit within Service Tasmania.
Carers Small Grants Program	20	20	20*	-	-	-	Expected to be funded from the 2024-25 Election Commitment: Carers Week.
Community Support Fund (CSF) Grants Program	1,000	1,000	1,000	1,000*	1,000*	1,000*	Funding for this grants program is subject to an annual request through the CSF, administered by the Department of Treasury and Finance.
Food Relief - Tasmanian Community Food Relief Grants Program	500	-	500*	-	-	-	Expected to be funded from the 2025-26 Key Deliverable: Food Relief Strategy and Services.
Food Relief - Capital Upgrade Grants Program	2,500	-	-	-	-	-	
LGBTIQA+ Grants Program	65	65	65*	-	-	-	
Men's Sheds Capital Improvement Program	1,000	**	-	-	-	-	** The \$1 million allocated in 2024-25 was not fully expended. The remaining \$488,855 was utilised for a second round in 2025-26.
Multicultural Community Festival Small Grants Program	40	40	-	-	-	-	Includes \$5,000 for Deepavali Tasmania in Table 1.
Social Cohesion Grants Program	200	265	-	-	-	-	
Tasmanian Men's Sheds Association (TMSA) Grants Program	175	175	175*	-	-	-	

Tabled Document - 2 June 2026
Minister for Environment

Project title	Description	Priority Area	Lead agency	Funding allocation	Notes on funding source
State of the Environment Report	Prepare a State of the Environment Report that documents baseline environmental data, trends and risks across Tasmania to inform strategic priorities and land use planning, including in relation to environmental management and sustainability issues.	1	Justice	\$ 400,000	2023-24 Budget
Water Catchment Yield Science Update	Explore options for updating hydrological estimates of water catchment yields using contemporary climate change projections.	1	NRE Tas	\$ 450,000	This is the cost of phase 1 (includes funding from Aus Gov). Phase 2 currently unknown/unfunded
Marine research	Work with the University of Tasmania under the Sustainable Marine Research Collaborative Agreement (SMRCA) to better understand the effects of climate change on marine ecosystems, marine industries and cultural practices, and develop options for adaptation.	1	NRE Tas	\$ 250,000	
Healthy Tasmania Five-Year Strategic Plan	Raise awareness about the links between climate change and health, and the ways communities can take action and respond to climate change.	1	Health	\$ 150,000	Funding is per annum.
Citizen science engagement	Participate in and promote citizen science engagement in the Range Extension Database and Mapping Project (Redmap) in partnership with the Centre for Marine Socioecology at the University of Tasmania.	1	NRE Tas	-	
Skills investment	Continue to provide subsidised training in key transition industries, agriculture, aquaculture and primary industries. Build the skills and capacity of the energy sector workforce to deliver Battery of the Nation, Marinus Link, major renewable and other projects, including hydrogen and transport electrification.	1	State Growth		Existing resources
Tasmanian Sustainability Strategy	Develop a whole-of-state sustainability vision and strategy for Tasmania, which includes the social, environmental and economic dimensions of the UN Sustainable Development Goals.	1	DPAC		
Government business climate-related risk disclosure	Work with Government Business Enterprises and State-owned Companies to continue to improve their understanding of the impact of climate-related risks and the provision of information on those risks.	1	Treasury		Existing resources
Youth Climate Leaders	Support a tailored program for Tasmanian high school students to inspire, educate and empower young leaders. The program will include a climate change initiative, sustainability solutions for local communities, potential national and international collaborative opportunities, mentoring and support, and presentations from keynote speakers, as well as conferences in each region.	1	ReCFIT	\$ 180,000	DPAC/ReCFIT Budget

Electrification and energy efficiency in homes and businesses	Continue the Energy Saver Loan Scheme to support households, small businesses and community organisations by providing interest-free loans of up to \$10,000 for eligible applicants to invest in energy efficient products to help lower their electricity bills. Supported products include solar panels and battery storage systems, heating and cooling systems, electric and solar hot water systems, insulation, window glazing and energy efficient appliances.	2	ReCFIT	\$ 4,497,000	2023-24 Budget
Reducing emissions from tourism and hospitality	Deliver a program to support tourism and hospitality operators to undertake carbon audits, implement measures to reduce their emissions, promote the stories of tourism and hospitality businesses who have actively reduced their emissions and develop a business case to consider how visitors to Tasmania voluntarily contribute to local offset projects.	2	State Growth, Tourism Tasmania	\$ 1,400,000	Existing commitment
Tasmanian Housing Strategy	Develop a Tasmanian Housing Strategy which considers the impacts of climate change and energy efficiency on housing sustainability and ongoing standards of liveability.	2	Homes Tasmania	-	Funding unknown
Energy price relief	Work with the Australian Government to deliver the jointly funded National Energy Price Relief Plan to provide temporary financial support to vulnerable customer groups and small businesses.	2	Treasury	\$ 45,000,000	National Energy Price Relief Plan
Community solar power system installation	Continue to provide financial support to Tasmanian sporting clubs to install solar power systems. Continue to roll out solar panels for schools. The energy savings from the \$5 million Renewable Energy Schools Program will be reinvested to fund further solar installations and sustainability improvements in our schools.	2	State Growth, DECYP	\$ 15,000,000	The sports club program was a \$10 million election commitment. Renewable Energy Schools is a \$5 million election commitment
Business resource efficiency	Continue to deliver the second Business Resource Efficiency Program to improve productivity, and reduce waste and emissions of Tasmania's small- to medium-sized businesses.	2	ReCFIT	\$ 200,000	Climate Change Action Plan
Support the uptake of active transport	Update the Tasmanian Walking and Cycling for Active Transport Strategy to capture the contemporary policy and infrastructure context regarding active transport across all levels of government. Work with local government to improve active transport and micro-mobility infrastructure and facilities.	2	State Growth	-	unknown
Zero emissions public transport	Continue to work with Metro Tasmania to trial zero emissions buses. An electric bus trial is due to commence in the north of the state in 2023 and work is underway to commence a hydrogen bus trial in the south.	2	State Growth, ReCFIT	\$ 6,000,000	2021-22 Budget (BEB only) Funding for hydrogen trial is from the Renewable Hydrogen Development Fund.

Support the uptake of public transport	Continue exploring ways to improve Tasmania's public transport network. For example, the introduction of a statewide fare structure in mid-2023 will deliver fare reductions to a majority of passengers travelling to and from non-urban localities to urban interchanges. This will help to incentivise people living in regional areas to use public transport.	2	State Growth	\$ 6,500,000	
Tasmanian Government fleet	Continue to progress the commitment to transition the fleet to 100 per cent electric vehicles by 2030, including consideration of infrastructure, procurement, education and policies. This will reduce emissions from the government fleet and increase the number of electric vehicles available in the secondhand market.	2	ReCFIT, Treasury	\$ 4,600,000	
Planning for electric vehicles	Embed consideration of electric vehicle charging infrastructure into the Tasmanian Planning Scheme and develop a whole-of-government master plan for electric vehicle charging infrastructure.	2	DPAC, ReCFIT		- Existing resources
EV Working Group	Continue bringing together key partners to develop a coordinated approach to support the uptake of electric vehicles in Tasmania.	2	ReCFIT		- Existing resources
Transition to low carbon agriculture	Continue to encourage farmers and other businesses to understand the growing carbon market, through the Carbon Farming Advice Rebate Pilot Program. Expand the Landcare Action Grants program of practical on ground works for sustainable agriculture to support carbon farming initiatives. Encourage dairy farmers to participate in the DairyTas 'The 10 Steps' program, which provides information to reduce the carbon footprint of Tasmanian dairy farms. Support the adoption of precision agriculture through the Strategic Industry Partnership Program, including a pilot program to develop and test a grower-led agtech adoption framework in Tasmanian agriculture.	2	NRE Tas	\$ 2,050,000	
Seaweed production	Manage emerging seaweed production activities, including <i>Asparagopsis</i> , to support decarbonisation in other sectors and expand ocean carbon sequestration.	2	NRE Tas	\$ 200,000	
Farm Forestry Carbon Tool	Support Private Forests Tasmania and the Tasmanian Forestry Hub to deliver the Farm Forestry Carbon Tool. The tool will enable landowners to estimate their carbon emissions and sequestration and potential tree offset opportunities, with the goal of encouraging landowners to plant more trees on their properties.	2	NRE Tas	\$ 300,000	https://www.premier.tas.gov.au/site_resources/2015/additional_releases/new-initiatives-to-support-the-forestry-sector2

Sustainable forestry sector	Work with the forestry sector to develop a policy framework that identifies barriers to agroforestry and plantation forestry, promotes plantations and wood products, promotes using locally-sourced timber instead of more emissions-intensive building materials, and explores opportunities for bioenergy and biofuels to reduce fossil fuel use.	2	NRE Tas	\$ 11,500,000	Election commitments/existing funding
Increased rollout of FOGO services in Tasmania	Continue to improve and increase Food Organics Garden Organics (FOGO) reprocessing capacity.	2	NRE Tas	\$ 9,000,000	
Grow the circular economy	Phase out single use plastics by 2025 and continue to improve plastic recycling in Tasmania. Launch a Container Refund Scheme. Partner with the Australian Government to support improved recycling in remote communities. Continue to support the use of recycled materials such as crumbed rubber from waste tyres in the construction and maintenance of the state road network, and research the use of other recycled products and the feasibility of increasing their use in State Road construction in Tasmania.	2	NRE Tas, State Growth	\$ 11,370,000	\$4 mil is for state roads recycled materials \$5.5 for plastic recycling another \$1 million for plastic target \$870,000 for remote communities
Business Energy Efficiency Scheme	Continue the \$50 million Business Energy Efficiency Scheme (BEES) to support electricity customers with annual consumption of more than 150MWh to invest in energy efficiency and electrification opportunities.	2	ReCFIT	\$ 3,450,000	2023-24 Budget
Emissions Reduction Loan Support Scheme	Launch a loan support scheme for large Tasmanian greenhouse gas emitting businesses and industries to trial existing clean technologies, or test new innovative production processes, that will lead to reduced emissions. Ensure the program scope and design complement relevant state and national programs.	2	ReCFIT	\$ 1,300,000	2021-22 Budget
Advocacy to the Australian Government	Continue to advocate for the best outcomes for Tasmanian business and industry under the Australian Government's initiatives to reduce industrial emissions, including reforms to the Safeguard Mechanism and establishing the Powering the Regions Fund.	2	ReCFIT		Existing resources

Renewable Energy Generation	<p>Implement the Tasmanian Renewable Energy Action Plan and Renewable Energy Coordination Framework.</p> <p>Implement the Tasmanian Renewable Hydrogen Action Plan to become a significant producer of renewable hydrogen for local use and export by 2030.</p> <p>Implement the Bioenergy Vision for Tasmania to embed bioenergy as a valued renewable resource for the Tasmanian economy, community and environment as an aid to energy production, waste management, resource recovery and emissions reduction.</p> <p>Continue to invest in hydro-electricity assets, considering the findings of relevant studies to further Tasmania's renewable electricity generation, progressing opportunities for further renewable energy development.</p> <p>Continue to progress national-scale renewable energy projects such as Marinus Link and the Battery of the Nation.</p>	2	ReCFIT	\$ 56,800,000	TREAP and Coordination framework = \$3.8 million Hydrogen - \$53,000,000 (including the \$50 million Tasmanian Renewable Hydrogen Industry Development Funding Program)
Renewable energy investment attraction	<p>Continue to promote the state as an ideal location for investment in renewable energy generation projects, the renewable energy industry supply chain, and industry, to use our renewable energy as an input into industrial or commercial processes.</p> <p>Continue to work with and support a wide variety of proponents across renewable energy projects.</p>	2	OCG	-	
Government agency emissions monitoring and reporting	<p>Continue to monitor the government's energy use and the associated greenhouse gas emissions from its operations.</p>	2	ReCFIT	\$ 105,000	Existing funding
Government boiler replacement program	<p>Develop a boiler replacement action plan to guide the replacement of fossil fuels used in government boilers with renewable alternatives, with a focus on bioenergy solutions.</p> <p>Implement renewable energy alternatives for government-owned fossil fuel boilers, with a focus on bioenergy solutions.</p>	2	ReCFIT	\$ 10,050,000	
Strategic Horizon Scanning Project	<p>Pilot a horizon scanning framework that will analyse and prioritise Tasmania's strategic disaster risks across a range of threats and hazards (including climate change). This action includes developing an implementation plan to embed an ongoing horizon scanning process into Tasmania's whole-of-government disaster prevention and preparedness arrangements.</p>	3	DPAC	\$ 80,000	
Managing coastal hazards	<p>Work with coastal managers across the state and local government to develop a consistent statewide approach to managing the impacts of coastal hazards under a changing climate.</p>	3	ReCFIT	\$ 100,000	Existing funding

Risk Information Tasmania Portal	Explore the development of a Risk Information Portal for Tasmania that spatially enables municipal emergency risk assessments. The risk assessments will seek to identify and utilise hazard models (for example: flood, fire, coastal hazards, drought) that incorporate climate projections.	3	DPAC	\$ 250,000	
Bushfire preparedness	Deliver a six-week program in Spring 2023 to empower Tasmanians to improve their bushfire preparedness. The program will support Tasmanians to understand their bushfire risk, create a bushfire plan and prepare their properties. Continue delivering the Statewide Fuel Reduction Program to reduce the risk of bushfires impacting on communities. Continue to work with Tasmania Fire Service to mitigate the risk of ignition on the road verge and undertake vegetation management in accordance with Machinery Operating Guidelines.	3	DPFEM, State Growth		- unknown
Tasmania's Disaster Resilience Strategy 2026-2030	Develop the next five-year strategy that outlines the Tasmanian Government's vision, goals and priority actions to improve Tasmanians' resilience to disasters.	3	DPAC	\$ 45,000	Australian Government National Disaster Risk Reduction Grants Program
TWWHA Fire Management	Treat broad areas of vegetation in and around the Tasmanian Wilderness World Heritage Area to protect natural and cultural values.	3	NRE Tas	\$ 500,000	This is the NRE Tas funding component only
Biosecurity Risk Mitigation	Assess the increased risks of temperate and sub-tropical pests and diseases establishing in Tasmanian marine and terrestrial environments. Prioritise those pests and diseases of highest risk and impact and develop mitigation strategies to address the highest risk species.	3	NRE Tas	\$ 2,000,000	
Impacts of climate change on the physical health and wellbeing of Tasmanians	Support actions that protect vulnerable Tasmanians from the impacts of climate change, such as bushfires, extreme heat and cold weather events. Support community action on climate change and health through the Healthy Tasmania Fund - Healthy Focus Grants.	3	Health	\$ 450,000	\$150,000 pa (Climate Change and Health Focus Area) \$300,000 (Grants)
Liveable cities	Create more liveable communities that improve health and wellbeing and address climate change. This includes active living strategies and supporting local food production, as well as actions to support good water and air quality.	3	Health		
Business resilience	Promote information and capability-building opportunities for small- and medium-sized businesses and not-for-profit organisations to improve continuity planning and build resilience to the physical and transitional impacts of climate change. Promote and support cross-sectoral opportunities for businesses to work together to improve their capacity and capability to respond to climate change.	3	State Growth	\$ 57,000	Natural Disaster Risk Reduction Grant Program

Embed climate change in land use planning system	Ensure the impacts of climate change are considered in Tasmania's planning polices and regional land use strategies and planning regulations.	3	DPAC		- Existing resources
Sustainable and resilient infrastructure	Work across state agencies to establish sustainability and resilience best practice principles in the planning and delivery of infrastructure. Identify opportunities for improving resilience as part of the upfront planning work when developing corridor strategies for state roads.	3	State Growth		- Existing resources
Embed climate change in strategic planning	Ensure climate change modelling is incorporated into strategic planning and decision making at state and local level to inform land release and the location of future housing. This action aims to mitigate the impacts of climate change on future residents and housing developments.	3	DPAC		- Existing resources
Farm Business Resilience Program	Deliver the joint Australian and Tasmanian Government Farm Business Resilience Program from mid-2023 to 2025 designed to give farmers the tools they need to prepare for and adapt to a changing climate and build business resilience through business planning.	3	NRE Tas	\$ 2,800,000	This is part of the \$2.8 million Rural Business Resilience Package
Regional Drought Resilience Planning Program	Apply a partnership approach with regional development authorities, local government, industry, businesses and community stakeholders to develop Regional Drought Resilience Plans for the north, north west and south that prioritise and guide localised actions to build Tasmania's resilience to future droughts.	3	NRE Tas		This is part of the \$2.8 million Rural Business Resilience Package (funding split is not clear so have attributed just to the FBR program above)
Dairy industry adaptation and sustainability	Partner with DairyTas to deliver a climate adaptation and environmental sustainability program for the dairy industry.	3	NRE Tas	\$ 241,630	
Irrigation infrastructure	Roll out Tranche III of Pipeline to Prosperity to meet increased demand for irrigation schemes and support Tasmanian Irrigation to develop a business case for the south east extension scheme.	3	NRE Tas	\$ 51,050,000	2021-22 Budget plus 2022-23 Budget.
Fisheries Harvest Strategies	Improve the design of Harvest Strategies for commercial and recreational fisheries to better incorporate climate resilience.	3	NRE Tas	\$ 200,000	
Long spined sea urchin control	Reduce the impacts of range-extended urchins on Tasmania's marine ecosystems due to the warming of waters on Tasmania's east coast.	3	NRE Tas	\$ 2,500,000	
Fisheries management	Work with CSIRO on integration of new national climate adaptation guidelines into fishery management approaches.	3	NRE Tas		-
Research Collaboration with Blue Economy CRC	Work with Blue Economy CRC on a range of approaches that will promote greater resilience and adaptation by aquaculture and energy industries working in offshore marine environments (for example, co-production of finfish and seaweed).	3	NRE Tas	\$ 200,000	
TOTAL	55			\$ 251,225,630	

* Note as some actions have been grouped together there are actually over 60

*Note that this list was compiled when the Action Plan was released in 2023. This does not include newly funded commitments as part of the Climate Change Ac



Legislative Council Select Committee
ESTIMATES A

1 June 2026

The Hon Eric Abetz MP
Treasurer
10th Floor, Executive Building
15 Murray Street
HOBART 7000

Email: eric.abetz@dpac.tas.gov.au

Dear Treasurer

Appropriation Bill (No. 1) 2026

As a result of the examination of the Estimates of the Department of Treasury and Finance by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Friday 5 June 2026**.

DIVISION 13 – DEPARTMENT OF TREASURY AND FINANCE

Output Group 1 – Financial and Resources Management Services

1.1 Budget Development and Management

1. Can the Treasurer provide a full answer to the questions so far not answered by the Government in relation to the cost of senior executives in the State Service?
2. The SSMO document 'Managing Positions in the State Sector' (April 2026) requires agencies to report on implementation of workforce reductions. In 2014-15, Treasury published quarterly public reports on savings implementation - reports that are no longer available on the Treasury website.
 - a) Will the Treasurer commit to reinstating quarterly public reporting on savings delivery with personal identifying information redacted?
3. Provide the number of Treasury cadets, graduates and trainees over last 5 years?
4. When was the last formal review of the GST forecasting model undertaken by Treasury?
5. I understand there has been written communication from you to Audit Tasmania regarding the commitment to the former Member for Huon. Please provide a copy of that letter to the Auditor-General, and correspondence from the Auditor-General to Treasury.
6. Was the Treasurer aware former Minister Ogilvie had a matter before the Supreme Court before her resignation from Cabinet 28 May 2026?
7. Was the Treasurer aware, prior to former Minister Ogilvie's appearance in Legislative Council Estimates Committee A on 17 November 2025, that she had initiated Court proceedings?

1.2 Financial Management and Accounting Services

1. What is the estimated outcome cost of election commitments in 2025-26?

1.3 Shareholder Advice on Government Businesses

1. Does the Government hold any kind of veto power over the GBE Corporate Planning processes? For examples Does TasWater require Government support for its corporate plan, or can TasWater just ignore the government?
2. On 25 March this year, I understand you voted for a motion which called on you to withdraw your support for TasWater's corporate plan. Have you done that? If not, why not?
3. From the income tax equivalent payments disclosed for Hydro Tasmania in Budget Paper 1, it is possible to calculate the implied underlying pre-tax profit: approximately \$35.7 million in 2025-26 rising to \$515 million by 2029-30.
 - What is the forecast wholesale price trajectory that has been used, what is the anticipated exit of coal fired-energy, and has Treasury stress-tested the dividend assumptions against scenarios where wholesale prices do not improve as forecast, where coal exit is delayed or where Basslink availability is constrained?
4. Which Government businesses have received equity contributions and which have had loan guarantees in each of the past five years and what is the amount of each, for each GBE?
5. When did the Treasury and NRE review of the Tasracing deed commence and what are the Terms of Reference?

1.5 Government Procurement Services

1. In relation to the 2 complaints received by Treasury regarding procurement in the last financial year, which agency did they relate to and what was the nature of the complaints?

Output Group 3 – Revenue, Superannuation and Regulatory Management Services

3.5 Administration of Grants, Subsidies and Concessions

1. Of the successful FHOG applications in 2024-2025 and 2025-2026 (to date), how many were for new builds, and how many for existing properties?

DIVISION 4 – FINANCE-GENERAL

Output Group 3 – Government Businesses

3.4 Government Businesses

1. Given the explanation given for no reduction in Point of Consumption tax despite the plan to cease greyhound racing in Tasmania, has the Government any modelling or research into the behaviours of consumers that would support the expectation that there will be no reduction in wagering on racing by Tasmanians?

Output Group 4 – Miscellaneous

4.9 Ex-Gratia Assistance

1. How much has been paid out of the ex-gratia payments line this year to date? What were they for?

Yours sincerely



HON RUTH FORREST MLC

Chair

w. 03 6212 2249 e. jenny.mannering@parliament.tas.gov.au

cc – matthew.hochman@dpac.tas.gov.au

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
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12 JUN 2026

Hon Ruth Forrest MLC
Chair
Legislative Council Select Committee Estimates A
jenny.mannering@parliament.tas.gov.au

Dear Ms Forrest

Please find below and attached the following responses to questions raised in the examination of the Estimates of the Department of Treasury and Finance by the Legislative Council Select Committee Estimates A.

DIVISION 13 – DEPARTMENT OF TREASURY AND FINANCE

Output Group 1 – Financial and Resources Management Services

1.1 Budget Development and Management

Questions:

1. Can the Treasurer provide a full answer to the questions so far not answered by the Government in relation to the cost of senior executives in the State Service?
2. The SSMO document 'Managing Positions in the State Sector' (April 2026) requires agencies to report on implementation of workforce reductions. In 2014-15, Treasury published quarterly public reports on savings implementation - reports that are no longer available on the Treasury website.
 - (a) Will the Treasurer commit to reinstating quarterly public reporting on savings delivery with personal identifying information redacted?
3. Provide the number of Treasury cadets, graduates and trainees over the last five years?
4. When was the last formal review of the GST forecasting model undertaken by Treasury?
5. I understand there has been written communication from you to Audit Tasmania regarding the commitment to the former Member for Huon. Please provide a copy of that letter to the Auditor-General, and correspondence from the Auditor-General to Treasury.
6. Was the Treasurer aware former Minister Ogilvie had a matter before the Supreme Court before her resignation from Cabinet 28 May 2026?

7. Was the Treasurer aware, prior to former Minister Ogilvie's appearance in Legislative Council Estimates Committee A on 17 November 2025, that she had initiated Court proceedings?

Responses:

1. The Premier's responses to the Hon Bec Thomas MLC, provided on 17 March 2026 and 15 May 2026 respectively, addressed this matter comprehensively, including Senior Executive Service (SES) numbers over the last 10 years and the factors that prevent a comparable total cost of SES remuneration across time and pay periods that would allow for accurate comparison data. The most recent response also outlined the relevant transparency measures and reductions in the SES.

As detailed in these responses, Heads of Agencies are actively managing their SES and Equivalent Specialists (ES) establishments in the context of the broader recruitment freeze on non-essential roles and need for full-time equivalent (FTE) reductions. SES and ES office vacancies are assessed prior to any advertising, consistent with the approach applied to other senior roles.

As with sound organisational design principles, and aligned with the Government's broader FTE reduction strategy, the number of SES and ES offices will be reviewed to ensure we continue to have fit for purpose organisational structures to support the essential service delivery requirements to the Tasmanian community.

2. Through Routine Disclosure, a monthly summary of paid headcount and paid FTE figures by agency has been published since February 2026. This reporting includes variance figures comparing the month of publication with the commencement of the non-essential recruitment freeze in March 2025.

Following the Premier's announcement on Monday 2 June 2026, regarding the Targeted and Negotiated Voluntary Redundancy (TNVR) Expression of Interest Program for up to 500 positions, additional reporting measures will be incorporated. These will include monthly ^{reports} providing that provides a summary of TNVRs and Workforce Renewal Incentive Payment (WRIPs), consistent with the details outlined in the Premier's announcement.

3. The numbers of Treasury cadets, graduates and trainees over the last five years are shown below.

Treasury Youth Employment	Graduates	Cadets	Trainees	Total
Employed as at 30 Jun 2021	5	18	1	24
Employed as at 30 Jun 2022	7	21		28
Employed as at 30 Jun 2023	4	20		24

Employed as at 30 Jun 2024	4	18		22
Employed as at 30 Jun 2025	3	17		20
Employed as at 31 May 2026	5	16	1	22

4. Treasury regularly reviews its GST model to ensure it uses the most appropriate data available and considers the Commonwealth Grants Commission's methodology.
5. Please find attached:
 - (a) Correspondence from the Auditor-General to the Secretary of Treasury dated 24 March 2026.
 - (b) Correspondence from the Secretary of Treasury in response to the Auditor-General dated 27 March 2026.
 - (c) Correspondence from the Acting Auditor-General to the Treasurer dated 10 April 2026.
 - (d) Correspondence from the Treasurer in response to the Acting Auditor-General dated 17 April 2026.
6. Yes.
7. To the best of my recollection, no.

1.2 Financial Management and Accounting Services

Question:

1. What is the estimated outcome cost of election commitments in 2025-26?

Response:

1. Treasury monitors and reports against financial information at the Output level. Accordingly, 2025-26 Estimated Outcome information is not available at the initiative level. While the 2025-26 Estimated Outcome information presented in the Budget Papers is the most recent, and detailed, year to date financial information available, Treasury does not hold information on expenditure against specific election commitments.

Table 1 below shows the 2025 election commitments included in the 2025-26 Budget.

Table 1. 2025 Election Commitments

	2025-26
	Budget
	\$'000
Operating Services	
Brand Tasmania	
Agency marketing, communications and expenditure improvements	....
Office and leasing improvements	(1)
Procurement Processes	(1)
	(2)
Education, Children and Young People	
Agency marketing, communications and expenditure improvements	(341)
Foster and Kinship Carer Uplift	2 012
Huonville Childcare and Child and Family Learning Centre Outreach Service	1 000
Office and leasing improvements	(613)
Procurement Processes	(681)
Variety Breakfast Program	350
	1 727
Finance-General	
Extend Payroll Tax Rebate Scheme (Apprentices)	800
Increase First Home Owner Grant to \$30 000	9 800
Reduce Treasurer's Reserve	(25 000)
	(14 400)
Health	
Agency marketing, communications and expenditure improvements	(567)
Office and leasing improvements	(1 022)
Procurement Processes	(1 134)
The Bubble Launceston	3 800
	1 077
Justice	
Agency marketing, communications and expenditure improvements	(72)
Office and leasing improvements	(130)
Procurement Processes	(144)
	(346)
Natural Resources and Environment Tasmania	
Agency marketing, communications and expenditure improvements	(43)
Office and leasing improvements	(77)
Procurement Processes	(86)
	(206)
Police, Fire and Emergency Management	
Agency marketing, communications and expenditure improvements	(99)
Office and leasing improvements	(178)

	2025-26
	Budget
	\$'000
Procurement Processes	(198)
	(475)
Premier and Cabinet	
Agency marketing, communications and expenditure improvements	(24)
Office and leasing improvements	(44)
Procurement Processes	(49)
	(117)
State Growth	
Agency marketing, communications and expenditure improvements	(65)
Extend Half Price Bus Fares	4 250
Increased Council contribution from Heavy Vehicle Motor Tax	3 500
Invest in Northern Tasmania Building and Construction Training Centre	....
Office and leasing improvements	(116)
Upgrades to Quercus Park	1 000
	8 569
Tourism Tasmania	
Agency marketing, communications and expenditure improvements	(10)
Office and leasing improvements	(18)
Procurement Processes	(20)
	(48)
Treasury and Finance	
Agency marketing, communications and expenditure improvements	(17)
Office and leasing improvements	(30)
Procurement Processes	(34)
	(81)
Total Operating Services	(4 302)
Capital Services	
State Growth	
Procurement Processes	(129)
	(129)
Total Capital Services	(129)

1.3 Financial Management and Accounting Services

Questions:

1. Does the Government hold any kind of veto power over the GBE Corporate Planning processes? For example, does TasWater require Government support for its corporate plan, or can TasWater just ignore the government?
2. On 25 March this year, I understand you voted for a motion which called on you to withdraw your support for TasWater's corporate plan. Have you done that? If not, why not?
3. From the income tax equivalent payments disclosed for Hydro Tasmania in Budget Paper 1, it is possible to calculate the implied underlying pre-tax profit: approximately \$35.7 million in 2025-26 rising to \$515 million by 2029-30.
 - What is the forecast wholesale price trajectory that has been used, what is the anticipated exit of coal fired-energy, and has Treasury stress-tested the dividend assumptions against scenarios where wholesale prices do not improve as forecast, where coal exit is delayed or where Basslink availability is constrained?
4. Which Government businesses have received equity contributions and which have had loan guarantees in each of the past five years and what is the amount of each, for each GBE?
5. When did the Treasury and NRE review of the Tasracing deed commence and what are the Terms of Reference?

Responses:

1. Under TasWater's constitution, a person appointed by the Crown as its Owner's Representative must be the Secretary of the Department of Treasury and Finance or a delegate of the Secretary. In July 2024, the Secretary of Treasury delegated his role as the Crown's Owner's Representative for TasWater to the Director of the Shareholder Policy and Markets Branch. The Crown's Owner's Representative represents the Crown, not the Treasurer.

Approval of the corporate plan at the Annual Planning Meeting requires: an Ordinary Majority of Owners' Representatives (excluding the Crown's Owner's Representative); and an affirmative vote by the Crown's Owner's Representative.

The Shareholders' Letter of Expectations includes a resolution process if the corporate plan is not approved at the annual planning meeting. The resolution process includes the Chair, the Chief Owners' Representative and the Crown's Owner's Representative. This ensures TasWater can provide an annual Corporate Plan as is required under Section 13 of the *Water and Sewerage Corporation Act 2012*.

2. As outlined in my contribution in the House on 25 March 2026, approval of the corporate plan does not equate to approving the Pricing and Services Plan. Approval of pricing submissions sits entirely with the independent Tasmanian Economic Regulator (TER).

The Government made a submission as part of public consultation on the TER's draft 2026 Water and Sewerage Price Determination, supporting pricing that reflects current cost of living pressures and TasWater's need to upgrade and maintain its asset base.

On 30 April 2026, the TER released its Final Report and Determination for the 2026 Water and Sewerage Price Determination setting out prices, service standards and revenue allowances for TasWater for the period 1 July 2026 and 30 June 2030.

For TasWater's Corporate Plan to remain relevant as at 1 July 2026, it would need to update its Corporate Plan consistent with the determination of the Regulator.

3. Hydro Tasmania's profit estimates are developed through its corporate planning and annual budget processes, endorsed by its Board, and provided to Shareholding Ministers through the standard shareholder governance framework. Treasury reviews those forecasts for reasonableness and consistency with broader market and economic settings, but the forecasts remain those of Hydro Tasmania.

In relation to the wholesale price trajectory, Hydro Tasmania's detailed price path is commercially sensitive. However, I can indicate that its planning assumptions are informed by modelling and a range of observable and market-based inputs, including forward contract prices, Hydro Tasmania's regulated wholesale contract pricing under the Wholesale Contract Regulatory Instrument (WCRI), and non-regulated contract price offers published by Hydro Tasmania. Hydro Tasmania publishes each week regulated and non-regulated contract pricing information on its website and the regulated framework is based on the WCRI and associated guidelines. The contract prices can be found here: <https://www.hydro.com.au/about-us/contract-pricing>.

The broad feature of the outlook is that wholesale market revenues are expected to improve over the planning period, particularly as firm and flexible generation becomes more valuable in the National Electricity Market. This reflects the expected tightening of supply-demand conditions and greater price volatility as coal-fired generation progressively exits the market.

In terms of coal-fired generation exits, Hydro Tasmania's planning has regard to publicly available closure information and market assumptions. Relevant public announcements include Yallourn in Victoria retiring in mid-2028, as announced by Energy Australia, and Eraring in New South Wales, which Origin has now advised will operate until 30 April 2029.

Treasury is aware that these assumptions are material to Hydro Tasmania's forecast profitability. As part of Hydro Tasmania's corporate planning process, scenarios and sensitivities are provided for Treasury assessment. These include sensitivities around higher and lower wholesale price outcomes, higher and lower inflows, and changed timing of coal fired power station closures.

Basslink availability is also a material consideration. The constrained Basslink experience during 2025-26 demonstrates that Basslink availability presents a downside risk to Hydro Tasmania's commercial performance. However, the conversion of Basslink to a regulated interconnector from 1 July 2026 is expected to provide greater operational certainty and more open access over the Forward Estimates. The Australian Energy Regulator has accepted APA's application to convert Basslink to a regulated transmission service, and AEMO's go-live planning identifies the transition from Market Network Service Provider to regulated Transmission Network Service Provider as scheduled for 1 July 2026.

That said, regulation does not remove all Basslink risk. A physical outage remains a risk under any operating model. The change to a regulated interconnector materially changes the commercial and operational framework, but it does not eliminate the possibility of outages or constraints.

In this regard, the Government's dividend and income tax equivalent estimates are updated through the normal Budget and Revised Estimates processes. Any material changes to Hydro Tasmania's operating environment, including changes in wholesale price outlooks, hydrological conditions, coal closure timing or Basslink availability, will be considered through Hydro Tasmania's corporate planning and budget estimates update cycles and reflected in future Budget updates.

4. Please see Tables 2 and 3 below.

Equity Contributions

Table 2 presents the General Government Sector equity provided to Government businesses over the past five years. This information is consistent with that reported in Note 5.2 Equity investment in PNFC and PFC sectors of the Treasurer's Annual Financial Reports.

Table 2 Equity Contributions to Government businesses

	2024-25	2023-24	2022-23	2021-22	2020-21
	\$m	\$m	\$m	\$m	\$m
Hydro Tasmania	....	9.8	....	....	....
Metro Tasmania Pty Ltd	6.0	3.2	0.4	....	....
Port Arthur Historic Site Management Authority	....	....	4.0	9.0	10.0
Sustainable Timber Tasmania ¹	....	....	....	....	(5.1)
Tasmanian Irrigation Pty Ltd	66.8	42.8	33.4	11.9	13.7
Tasmanian Networks Pty Ltd	90.7	....	....	....	....
Tasmanian Railway Pty Ltd	35.4	55.8	72.6	67.6	68.2
Tasracing Pty Ltd	2.1	1.0	0.3	3.0	0.5
TT-Line Company Pty Ltd ²	....	....	41.6	21.7	47.3
	200.9	112.6	152.3	113.2	134.7

Notes:

1. \$5.1 million of equity was withdrawn from Sustainable Timber Tasmania in 2020-21.

2. Equity contributions to TT-Line in Table 1 represent withdrawals from the Vessel Replacement Fund provided to TT-Line as equity.

Borrowing Guarantees

The *Tasmanian Public Finance Corporation Act 1985* was amended on 29 September 2023 to provide an enduring guarantee from the Government of borrowings from Tascorp by relevant organisations. The Guarantee is subject to a limit for each relevant organisation as determined by the Treasurer. The amendments commenced from 1 July 2023.

Table 3 presents the guarantees that have been provided to Government businesses. This information is consistent with that presented in Note 8 Commitments and contingencies of the Treasurer's Annual Financial Reports.

Table 3 Guarantees Provided to Government businesses

	2024-25	2023-24	2022-23	2021-22	2020-21
	\$m	\$m	\$m	\$m	\$m
Aurora Energy Pty Ltd	495.0	495.0	....	....	....
Hydro Tasmania	1 554.4	2 039.0	....	....	....
Metro Tasmania Pty Ltd	18.0	18.0	....	....	....
Port Arthur Historic Site Management Authority	5.0	12.5	....	....	....
Sustainable Timber Tasmania	5.0	5.0	....	....	....
Tasmanian Irrigation Pty Ltd	120.0	68.2	....	....	....
Tasmanian Networks Pty Ltd	2 500.0	2 500.0	....	....	....
Tasmanian Ports Corporation Pty Ltd	286.0	286.0	286.0	286.0	....
Tasmanian Railway Pty Ltd	40.0	20.0	....	....	....
Tasracing Pty Ltd	18.7	18.7	....	....	....
TT-Line Company Pty Ltd	1 035.0	1 035.0	745.0	....	....
	6 077.1	6 497.4	1 031.0	286.0	....

5. The initial Terms of Reference for the assessment of options available to the Government regarding the future funding model for the Tasmanian racing industry were first approved in May 2025. Treasury commenced scoping and planning work for the review at that time.

After the forming of Government in 2025, the Terms of Reference was updated to reflect the proposed phase out of greyhound racing in 2029. These were approved by both Shareholding Ministers and sent to Tasracing on 11 November 2025.

Treasury and NRE are progressing the assessment, which is due to the Shareholding Ministers by no later than 31 August 2026.

The Terms of Reference for the assessment are attached.

1.5 Government Procurement Services

Question:

1. In relation to the two complaints received by Treasury regarding procurement in the last financial year, which agency did they relate to and what was the nature of the complaints?

Response:

1. At the end of each financial year, agencies provide a report to Treasury with information on any procurement complaints received during that financial year.

The 2024-25 complaints report identified two complaints received by agencies.

- A complaint was received by the Department of Health, related to a tender process. The complaint was resolved at the agency level and was not escalated to Treasury.

- A complaint was received by the Department of Natural Resources and Environment Tasmania, related to a quotation process. The complaint was resolved at the agency level and was not escalated to Treasury.

Output Group 3 – Revenue, Superannuation and Regulatory Management Services

3.5 Administration of Grants, Subsidies and Concessions

Questions:

1. Of the successful FHOG applications in 2024-2025 and 2025-2026 (to date), how many were for new builds, and how many for existing properties?

Response:

1. From 1 July 2014, eligibility for the First Home Owner Grant in Tasmania has been restricted to transactions involving new homes only. For the years in question, 346 grants were paid on applications lodged in 2024-25 and 244 have been paid on applications lodged in 2025-26 to date.

These figures are reported by the year in which the application was lodged.

DIVISION 4 – FINANCE GENERAL

Output Group 3 – Government Businesses

3.4 Government Businesses

Question:

1. Given the explanation given for no reduction in Point of Consumption tax despite the plan to cease greyhound racing in Tasmania, has the Government done any modelling or research into the behaviours of consumers that would support the expectation that there will be no reduction in wagering on racing by Tasmanians?

Response:

1. The Government has not undertaken specific modelling or behavioural research, however, it does not expect a reduction in wagering activity by Tasmanians due to the proposed cessation of greyhound racing.

The proposed ban on greyhound racing is scheduled to occur in the final year of the Forward Estimates. However, as the legislation is yet to be passed by parliament, any financial implications associated with the proposed ban has not been factored into the Forward Estimates.

Output Group 4 – Miscellaneous**4.9 Ex-Gratia Assistance****Question:**

1. How much has been paid out of the ex-gratia payments line this year to date? What are they for?

Response:

1. There have been no ex-gratia payments made from this line item year to date in the 2025-26 Financial Year.

I trust this information is of assistance to the Committee.

Yours sincerely



Hon Eric Abetz MP
Treasurer

Assessment of options available to the Government regarding the future funding model for the Tasmanian racing industry

Terms of Reference

Purpose

To undertake a high-level strategic assessment and provide advice on the options available to the Government regarding the funding model for the Tasmanian racing industry, following the closure of the greyhound racing industry in 2029.

Background

Tasracing has a number of funding agreements with the Tasmanian Government that are set to expire over the period from 2027 to 2029.

The Government has announced that greyhound racing in Tasmania will be phased out by 30 June 2029, coinciding with the expiration of the Government's grant deed with Tasracing.

As part of this process, the Tasmanian Racing Integrity Commissioner will develop a comprehensive transition plan, and a Joint Select Committee will be established to provide parliamentary scrutiny and public accountability for the work being undertaken by the Tasmanian Racing Integrity Commissioner.

To prepare for the expiry of the funding deeds, the Government has agreed to consider funding model options for the Tasmanian racing industry moving forward. This will be informed by the transition plan for the greyhound racing industry, as well as an assessment of the funding models available to the Government for the remaining racing codes in Tasmania.

Assessment

The assessment will identify the funding models available to the Government for the remaining codes of the Tasmanian racing industry for the period beyond 2029, including a recommended approach that recognises the Government's challenging fiscal environment.

The assessment will make recommendations in relation to:

- the interplay between Tasracing's existing funding deeds and options for consolidation;
- funding options for the period beyond the expiration of the main Funding Deed in 2028-29, including the structure, length and approved purpose of future funding; and
- appropriate governance arrangements and accountability mechanisms for future funding.

The assessment will have regard to:

- the phasing out of the greyhound industry, which will be informed by the work to be undertaken by the Tasmanian Racing Integrity Commissioner and any findings of the Joint Select Committee;
- Tasracing's role and functions that are expected to continue past 2029;

- Tasracing’s revenue and expense profile, including the expected impacts of phasing out the greyhound industry;
- funding models for racing industries across Australia;
- the purpose of Government funding and the economic benefits that are attributable to the thoroughbred and harness racing codes;
- community, social and animal welfare considerations as they relate to the thoroughbred and harness racing codes; and
- fiscal impacts and appropriate governance and accountability mechanisms.

Governance approach and timing

- The assessment will be undertaken jointly by the Department of Treasury and Finance and the Department of Natural Resources and Environment (NRE), through a Working Group overseen by a Steering Committee.

Role	Members
Project Sponsors	Gary Swain - Secretary of Treasury and Finance Jason Jacobi - Secretary of NRE
Steering Committee	Chair: Dean Burgess - Deputy Secretary, EFD, Treasury Deidre Wilson, Acting Chief Operations Officer, Strategy and Business Services, NRE
Working Group	Sam Wilson, Treasury Jordan Griffiths, Treasury David Warren, Treasury Adrian Pearce, NRE

- Treasury and NRE will seek information from Tasracing, where required.
- The assessment will be provided to Government by no later than 31 August 2026.



24 March 2026

Mr Gary Swain
Secretary
Department of Treasury and Finance
Hobart 7000

Issued by email only

2026-27 Budget and Forward Estimates Adjustment

I am writing to confirm the need for a budget and forward estimates adjustment following our receipt of the 19 March 2026 allocation advice regarding the 2026-27 operating appropriation. I understand our earlier submission to increase the budget appropriation has not been endorsed.

Having considered that, we now need to progress a budget amendment to appropriately reflect the revenue source supporting the expected expenditure in 2026-27 and the forward years. Specifically, the amendment will recognise fee revenue, recorded as sale of goods and services.

The rationale for this amendment is as follows:

- The Auditor-General's annual plan for 2026-27 has been developed in consultation with the Public Accounts Committee based on the Premier's letter to Dean Harris MLC, tabled 3 December 2025, committing to ensure that funding over the forward estimates supports at least six (6) performance audits per annum
- As the proposed appropriation funding is insufficient to deliver six performance audits annually, I will, in accordance with section 27 of the Audit Act 2008, determine the fees to be charged to address the funding shortfall
- Any suggestion to reduce the scope or depth of audit coverage would pose a direct threat to the independence of the role of Auditor-General

I am writing to formally seek a budget amendment on this basis, consistent with our entries in BIMS.

Yours sincerely

Martin Thompson
Auditor-General

Department of Treasury and Finance

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Doc reference: 26/66582
Your reference: YourRef

Mr Martin Thompson
Auditor General
Audit Tasmania
Hobart 7000

By email

Response regarding 2026-27 Budget and Forward Estimates Adjustment

Thank you for your correspondence of 24 March 2026 regarding the proposed 2026-27 Budget forward estimates amendment, and the intention to address perceived funding constraints through the determination of fees under section 27 of the *Audit Act 2008*.

Treasury has considered the matters raised in your advice and provides the following comments.

Funding of performance audits under the Audit Act 2008

Treasury recognises the importance of maintaining the independence and effectiveness of the Auditor-General's functions. At the same time, Treasury considers it important that the long-established distinction between appropriation-funded performance audits and agency-funded financial audits is maintained, consistent with legislative intent, historical practice and Budget transparency.

Treasury notes that, performance audits have, as a matter of long-standing practice and interpretation, been funded through appropriation revenue, reflecting their role as a public good and a core accountability mechanism for the Parliament.

By contrast, agencies are generally charged only for financial audit services, consistent with section 27 of the *Audit Act 2008* and as disclosed separately in the Audit Tasmania (AT) Financial Statements under *user charges – financial audit services*. This distinction has been consistently applied and understood across government.

Treasury notes that the *Audit Act 2008* does not explicitly provide for the unilateral charging of agencies for performance audits. Section 27 establishes a mechanism for the determination of fees; however, subsection 27(3) expressly provides that an accountable authority may dispute liability to pay a fee. This indicates that the imposition of fees is neither automatic or assured.

In Treasury's view, this supports the established position that performance audits should ordinarily be funded through appropriation, rather than agency-level charging. Treasury also notes that performance audits are conducted for the benefit of Parliament, not the audited agency, which reinforces the rationale for appropriation funding.

Budget processes and timing constraints

Treasury recognises that your correspondence of 24 March 2026 was received within the broader window of Budget development activity. However, given the late stage of the Budget process, there is limited practical capacity to materially revise SPA transactions for 2026-27 while Budget documentation is being completed.

Treasury notes, however, that there will be an opportunity to update 2026-27 SPA transactions in the new financial year, should further adjustments be required, consistent with normal in-year Budget management processes.

Consideration of resourcing levels and audit activity

Treasury notes the information below, that has been drawn from Audit Tasmania's 2024-25 Annual Report and the 2025-26 Budget Papers:

- In 2024-25, AT undertook seven performance audits at an average cost of approximately \$150,000 per audit, a significant reduction from approximately \$400,000 per audit in 2023-24.
- Appropriation Revenue – Operating is projected to reduce from \$3.363 million in 2024-25 to \$3.006 million in 2026-27.
- The 2024-25 appropriation figure includes funding of approximately \$560,000 for the Auditor-General's salary.

Treasury also notes that, in its 2025-26 Budget submission, AT sought additional funding of approximately \$300,000 per annum from 2026-27 onwards to support its ongoing performance audit activities.

Taking these factors into account, Treasury considers that the 2026-27 operating Budget is sufficient in aggregate to support a performance audit program broadly consistent with recent activity levels, even at an average cost of approximately \$400,000 per audit, consistent with the commitment referenced in your correspondence.

Treasury welcomes continued engagement with Audit Tasmania on these matters, including during the 2026-27 financial year as part of standard Budget and SPA review processes.

Should you have any queries or require any further information regarding this matter, please contact Eleanor Patterson on (03) 6145 5815 or email eleanor.patterson@treasury.tas.gov.au.



Gary Swain
Secretary

27 March 2026

10 April 2026

The Honourable Eric Abetz MP
Treasurer
Executive Building
15 Murray Street
Hobart Tasmania 7000

Issued by email only

Ministerial Brief - Portfolio Minister approval for the Tasmanian Audit Office to submit 2026-27 Budget Paper Chapter

Purpose

The purpose of this brief is to:

- outline the background to the submission of two versions of the Tasmanian Audit Office's 2026-27 Budget Chapter,
- inform you of the preferred approach to ensure transparency of revenue and expenditure required for the Office to meet Parliamentary reporting requirements and deliver six performance audits per annum across the forward estimates,
- seek your endorsement of the Tasmanian Audit Office budget chapter within the submission timeframe of 15 April 2026.

Recommendation

It is recommended that the Treasurer, as the responsible Minister, approve option 2, being the submission of the Tasmanian Audit Office 2026-27 Budget Chapter which transparently reflects an additional \$0.8 million in fee revenue and associated expenditure in the budget year, escalated over the forward estimates, required to meet Parliamentary reporting requirements and deliver the planned audit program.

Key issues and background

- Tabled in Parliament on 3 December 2025, the Premier and Treasurer wrote to Dean Harris MLC, committing to ensure that funding over the forward estimates supports at least six (6) performance audits per annum. The Auditor-General's annual plan for 2026-27 was developed in consultation with the Public Accounts Committee based on that commitment and provides for the delivery of six full performance audits.

- To support delivery of that program, the Tasmanian Audit Office submitted a budget bid on 22 January 2026 seeking additional operating appropriation revenue. On 19 March 2026, the Tasmanian Audit Office received the draft 2026-27 Budget Papers, which did not include the requested appropriation funding. Since the proposed appropriation funding is insufficient to deliver six performance audits per annum, the Auditor-General advised Treasury on 24 March 2026 that in accordance with section 27 of the *Audit Act 2008*, additional audit fees would be charged to address the funding shortfall, with the additional revenue to be recognised as sale of goods and services.
- Treasury advised on 24 March 2026 that budget submissions had closed and that the amendment to increase sales of goods and services revenue could not be made. On 8 April 2026, Treasury further advised that no uplift to the operating appropriation had been approved, final appropriation decisions had been made by Government, and that SPA transactions were locked for the purposes of the 2026-27 Budget Papers. Treasury's advice recommended that the additional fee revenue and expenditure be managed through a within-year amendment to the office's Special Purpose Account limits in the 2026-27 financial year.
- While that approach could potentially address the funding requirement during the year, it would result in the Budget Papers and forward estimates presenting a funding position that is known at the time of publication to be incomplete which is not consistent with the principles of sound fiscal management. It would present a budget position that understates the true cost of delivering the planned program of work and potentially limit recruitment for specialist audit capability without confirmed budget authority reflected in the Budget Papers.
- The Auditor-General prefers to transparently disclose the expected funding and costs required to deliver the planned audit program across the forward estimates.
- Accordingly, two versions of the Tasmanian Audit Office 2026-27 Budget Chapter have been prepared: one reflecting instruction provided by Treasury's budget management branch, and a second version transparently showing the additional \$0.8 million in fee revenue and associated expenditure, escalated over the forward estimates, required to deliver six performance audits per annum.

Analysis of Options

Option 1: Submit a Budget Chapter compliant with instructions provided by Budget Management Branch

Under this option, the Tasmanian Audit Office submits a Ministerially endorsed 2026-27 Budget Chapter with no change to forecast revenue or expenditure, with additional funding to be addressed through a within-year SPA amendment.

Risk and considerations:

- Complies fully with Treasury's procedural advice and related budget management processes.
- Does not reflect the full cost of delivering the planned program of work, resulting in reduced transparency in the Budget Papers and forward estimates.

- Relies on a subsequent within-year SPA adjustment, meaning the published budget position is known to be incomplete at the time of release.
- Does not accurately reflect how the Tasmanian Audit Office expects to fund and deliver the publicly committed level of audit activity.
- The absence of a confirmed budget position in the Budget Papers may hinder the Tasmanian Audit Office's ability to attract and retain suitably qualified staff required to deliver high-quality performance audits.

Option 2: Submit a Ministerially endorsed Budget Chapter that reflects the true cost of delivering the program (preferred)

Under this option, the Tasmanian Audit Office submits a version of the 2026-27 Budget Chapter incorporating the additional \$0.8 million in fee revenue and associated expenditure required to deliver the planned program of work, ensuring that an accurate budget forecast for 2026-27 and the forward estimates is reflected.

Risk and considerations:

- This approach is not consistent with Treasury's budget management branch processes, noting advice that budget submissions have closed and SPA transactions are locked.
- No changes are sought to approved appropriation decisions.
- This option ensures the Budget Papers transparently disclose the costs and revenue required to deliver the agreed audit program consistent with the principles of sound fiscal management.
- Preserves the independence of the Auditor-General by avoiding any implied expectation that audit scope or depth be reduced to align with insufficient appropriation funding.

Approval

Provide the required Ministerial endorsement for the Tasmanian Audit Office to either:

Option 1: submit the 2026-27 Budget Chapter with no change to forecast revenue or expenditure, to remain compliant with Treasury's Budget Management Branch instructions, or

Option 2 (preferred): Submit the 2026-27 Budget Chapter incorporating the additional \$0.8 million in fee revenue and associated expenditure required to deliver the planned program of work, to ensure an accurate budget forecast for 2026-27 and the forward estimates.

Please provide Ministerial endorsement for your chosen option.

Yours sincerely,



Jonathan Wassell

Acting Auditor-General

22 TASMANIAN AUDIT OFFICE

AGENCY OUTLINE

Tasmanian Audit Office provides support and services to the Auditor-General to fulfil his role and responsibilities under the *Audit Act 2008*. The principal responsibilities of the Auditor-General and Tasmanian Audit Office are to:

- provide an audit report on the: Total State; General Government Sector; and Public Account Statements, which form part of the Treasurer's Annual Financial Report;
- conduct audits of financial statements of State entities and audited subsidiaries and issue audit reports outlining compliance with relevant accounting standards and legislation;
- issue audit reports and other formal communications of audit findings to State entities, audited subsidiaries, responsible Ministers and relevant accountable authorities; and
- report to Parliament on the results of the audits of State entities and audited subsidiaries of State entities in respect of the preceding financial year.

The Auditor-General and Tasmanian Audit Office also undertake performance audits examining the efficiency, effectiveness and economy of State entities and compliance audits examining the compliance by State entities with written laws or their own internal policies. Examinations or investigations are also undertaken for the purpose of:

- examining the accounting and financial management information systems of the Treasurer, State entities or subsidiaries of State entities to determine their effectiveness in achieving or monitoring program results;
- investigating any matter relating to the accounts of the Treasurer, State entities or subsidiaries of State entities;
- investigating any matter relating to public money or other money, or to public property or other property; and
- examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

Reports on the results of performance or compliance audits, examinations or investigations are, in most cases, reported to Parliament for its consideration.

This chapter provides financial information about the Output to be delivered by the Office in 2026-27 and over the Forward Estimates (2027-28 to 2029-30). Further information about the Office is provided on its website (www.audit.tas.gov.au).

OUTPUT GROUPS

The Output of Tasmanian Audit Office is provided under:

- Output Group 1 – Public Sector Performance and Accountability

Revenue and Expense Summary

This section provides a summary of the appropriation revenue and total expense estimates for the Department. Tables 22.1 and 22.2 provide the Revenue from Appropriation and Total Expenses by Portfolio and Output. This is followed by an explanation where there are major variations in revenue and/or expense estimates of an Output Group.

Table 22.1: Revenue from Appropriation by Portfolio and Output

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Treasurer						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	2 727	2 727	2 430	2 409	2 494	2 562
	2 727	2 727	2 430	2 409	2 494	2 562
Tasmanian Audit Office						
Total Operating Services	2 727	2 727	2 430	2 409	2 494	2 562
	2 727	2 727	2 430	2 409	2 494	2 562
Reserved by Law						
Salary and Travelling Allowance, Auditor-General (Audit Act 2008)	566	606	626	646	656	666
	566	606	626	646	656	666
Appropriation Rollover	147	147	....	....	....	....
Total Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
Controlled Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
	3 440	3 480	3 056	3 055	3 150	3 228

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

The decrease in appropriation revenue from 2026-27 primarily reflects the conclusion of the 2023-24 Budget initiative - Implementation of Data Analytics (a four-year allocation from 2023-24 to 2025-26), and the ongoing impact of the 2024 Performance and Efficiency Measure.

Table 22.2: Total Expenses by Portfolio and Output

	2025-26 Budget \$'000	2025-26 Estimated Outcome \$'000	2026-27 Budget \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	2029-30 Forward Estimate \$'000
<i>Treasurer</i>						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	11 102	11 142	11 148	11 541	11 940	12 501
	11 102	11 142	11 148	11 541	11 940	12 501
TOTAL	11 102	11 142	11 148	11 541	11 940	12 501

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

The expenses for the Output Group includes expenses of the Office funded by revenue from financial audit services retained in its Agency Financial Management Account.

Output Group 1: Public Sector Performance and Accountability

1.1 Public Sector Performance and Accountability

This Output enables the Office to provide independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector.

This is achieved through an annual program of:

- attest assurance engagements - where the accountable authority of a state entity or audited subsidiary of a state entity 'attests' the financial statements or other financial information as being true and fair or fairly presented, and the Auditor-General or delegate expresses an opinion on that assertion; and

- direct assurance engagements and Parliamentary reporting - which incorporates performance and/or compliance audits, examinations and investigations and, where appropriate, reporting of outcomes to Parliament.

DETAILED BUDGET STATEMENTS

The following Tables present detailed Budget statements for the Department. Each Statement is followed by an explanation of major variations where applicable.

Table 22.3: Statement of Comprehensive Income

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income						
Appropriation revenue - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation revenue - rollover	147	147	....	....	....	....
Sales of goods and services	7 737	7 737	8 071	8 406	8 747	9 009
Other revenue	33	33	31	32	32	34
Total revenue	11 210	11 250	11 158	11 493	11 929	12 271
Total income	11 210	11 250	11 158	11 493	11 929	12 271
Expenses						
Employee benefits	8 385	8 425	8 688	9 028	9 382	9 978
Depreciation and amortisation	86	86	86	86	86	86
Supplies and consumables	2 203	2 203	1 931	1 975	2 008	1 952
Other expenses	428	428	443	452	464	485
Total expenses	11 102	11 142	11 148	11 541	11 940	12 501
Net result	108	108	10	(48)	(11)	(230)
Comprehensive result	108	108	10	(48)	(11)	(230)

Explanation of Major Variations

The increase in Sales of goods and services reflects additional revenue from fees for financial audit services and the introduction of revenue from sustainability assurance.

The increase in Employee benefits reflects increased staffing requirements to efficiently deliver audits.

Table 22.4: Statement of Financial Position as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Financial assets						
Cash and deposits	2 223	2 223	2 201	2 222	2 314	2 187
Receivables	419	248	248	240	221	202
Contract assets	837	578	588	582	553	524
	3 479	3 049	3 037	3 044	3 088	2 913
Non-financial assets						
Property, plant and equipment	....	590	590	590	590	590
Intangibles	1	1	....	....	....	....
Other assets	606	20	20	20	20	20
	607	611	610	610	610	610
Total assets	4 086	3 660	3 647	3 654	3 698	3 523
Liabilities						
Payables	171	89	86	83	80	77
Contract liabilities	432	713	706	699	692	685
Employee benefits	1 330	1 348	1 335	1 400	1 465	1 530
Superannuation	145	148	148	148	148	148
Other liabilities	....	8	8	8	8	8
Total liabilities	2 078	2 306	2 283	2 338	2 393	2 448
Net assets (liabilities)	2 008	1 354	1 364	1 316	1 305	1 075
Equity						
Accumulated funds	840	186	196	148	137	(93)
Other Equity	1 168	1 168	1 168	1 168	1 168	1 168
Total equity	2 008	1 354	1 364	1 316	1 305	1 075

Explanation of Major Variations

The variation in Contract assets and Contract liabilities relates to the timing of charging, collecting and payment of audit fees.

The decrease in Other assets from 2026 reflects depreciation of office improvements.

The decrease in Employee benefits in 2027 recognises the 27th pay and the reduction in the associated liability accrued over prior years.

Table 22.5: Statement of Cash Flows

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash inflows						
Appropriation receipts - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation receipts - rollover	147	147	....	....	....	....
Sales of goods and services	7 960	7 960	8 309	8 668	9 043	9 305
GST receipts	672	672	672	672	672	672
Other cash receipts	33	33	31	32	32	34
Total cash inflows	12 105	12 145	12 068	12 427	12 897	13 239
Cash outflows						
Employee benefits	(7 476)	(7 516)	(7 785)	(8 026)	(8 363)	(8 859)
Superannuation	(1 094)	(1 094)	(1 166)	(1 187)	(1 204)	(1 304)
GST payments	(672)	(672)	(672)	(672)	(672)	(672)
Supplies and consumables	(2 202)	(2 202)	(2 012)	(2 056)	(2 089)	(2 033)
Other cash payments	(428)	(428)	(443)	(452)	(464)	(485)
Total cash outflows	(11 872)	(11 912)	(12 078)	(12 393)	(12 792)	(13 353)
Net cash from (used by) operating activities	233	233	(10)	34	105	(114)
Cash flows from investing activities						
Payments for acquisition of non-financial assets	(9)	(9)	(12)	(13)	(13)	(13)
Net cash from (used by) investing activities	(9)	(9)	(12)	(13)	(13)	(13)
Net increase (decrease) in cash and cash equivalents held	224	224	(22)	21	92	(127)
Cash and deposits at the beginning of the reporting period	1 999	1 999	2 223	2 201	2 222	2 314
Cash and deposits at the end of the reporting period	2 223	2 223	2 201	2 222	2 314	2 187

22 TASMANIAN AUDIT OFFICE (OPTION 2)

AGENCY OUTLINE

Tasmanian Audit Office provides support and services to the Auditor-General to fulfil his role and responsibilities under the *Audit Act 2008*. The principal responsibilities of the Auditor-General and Tasmanian Audit Office are to:

- provide an audit report on the: Total State; General Government Sector; and Public Account Statements, which form part of the Treasurer's Annual Financial Report;
- conduct audits of financial statements of State entities and audited subsidiaries and issue audit reports outlining compliance with relevant accounting standards and legislation;
- issue audit reports and other formal communications of audit findings to State entities, audited subsidiaries, responsible Ministers and relevant accountable authorities; and
- report to Parliament on the results of the audits of State entities and audited subsidiaries of State entities in respect of the preceding financial year.

The Auditor-General and Tasmanian Audit Office also undertake performance audits examining the efficiency, effectiveness and economy of State entities and compliance audits examining the compliance by State entities with written laws or their own internal policies. Examinations or investigations are also undertaken for the purpose of:

- examining the accounting and financial management information systems of the Treasurer, State entities or subsidiaries of State entities to determine their effectiveness in achieving or monitoring program results;
- investigating any matter relating to the accounts of the Treasurer, State entities or subsidiaries of State entities;
- investigating any matter relating to public money or other money, or to public property or other property; and
- examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

Reports on the results of performance or compliance audits, examinations or investigations are, in most cases, reported to Parliament for its consideration.

This chapter provides financial information about the Output to be delivered by the Office in 2026-27 and over the Forward Estimates (2027-28 to 2029-30). Further information about the Office is provided on its website (www.audit.tas.gov.au).

OUTPUT GROUPS

The Output of Tasmanian Audit Office is provided under:

- Output Group 1 – Public Sector Performance and Accountability

Revenue and Expense Summary

This section provides a summary of the appropriation revenue and total expense estimates for the Department. Tables 22.1 and 22.2 provide the Revenue from Appropriation and Total Expenses by Portfolio and Output. This is followed by an explanation where there are major variations in revenue and/or expense estimates of an Output Group.

Table 22.1: Revenue from Appropriation by Portfolio and Output

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Treasurer						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	2 727	2 727	2 430	2 409	2 494	2 652
	2 727	2 727	2 430	2 409	2 494	2 652
Tasmanian Audit Office						
Total Operating Services	2 727	2 727	2 430	2 409	2 494	2 562
	2 727	2 727	2 430	2 409	2 494	2 562
Reserved by Law						
Salary and Travelling Allowance, Auditor-General (Audit Act 2008)	566	606	626	646	656	666
	566	606	626	646	656	666
Appropriation Rollover	147	147	....	....	....	....
Total Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
Controlled Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
	3 440	3 480	3 056	3 055	3 150	3 228

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

The decrease in appropriation revenue from 2026-27 primarily reflects the conclusion of the 2023-24 Budget initiative - Implementation of Data Analytics (a four-year allocation from 2023-24 to 2025-26), and the ongoing impact of the 2024 Performance and Efficiency Measure.

Table 22.2: Total Expenses by Portfolio and Output

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Treasurer						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	11 102	11 142	11 952	12 308	12 707	13 318
	11 102	11 142	11 952	12 308	12 707	13 318
TOTAL	11 102	11 142	11 952	12 308	12 707	13 318

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

Expenses for the Output Group are comprised of Office-related costs, including the delivery of six full-scope performance audits, funded through revenue retained from financial audit services in the Agency Financial Management Account.

Output Group 1: Public Sector Performance and Accountability

1.1 Public Sector Performance and Accountability

This Output enables the Office to provide independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector.

This is achieved through an annual program of:

- attest assurance engagements - where the accountable authority of a state entity or audited subsidiary of a state entity 'attests' the financial statements or other financial information as being true and fair or fairly presented, and the Auditor-General or delegate expresses an opinion on that assertion; and

- direct assurance engagements and Parliamentary reporting - which incorporates performance and/or compliance audits, examinations and investigations and, where appropriate, reporting of outcomes to Parliament.

DETAILED BUDGET STATEMENTS

The following Tables present detailed Budget statements for the Department. Each Statement is followed by an explanation of major variations where applicable.

Table 22.3: Statement of Comprehensive Income

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income						
Appropriation revenue - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation revenue - rollover	147	147	....	....	....	....
Sales of goods and services	7 737	7 737	8 875	9 210	9 551	9 813
Other revenue	33	33	31	32	32	34
Total revenue	11 210	11 250	11 962	12 297	12 733	13 075
Total income	11 210	11 250	11 962	12 297	12 733	13 075
Expenses						
Employee benefits	8 385	8 425	9 492	9 832	10 186	10 782
Depreciation and amortisation	86	86	86	86	86	86
Supplies and consumables	2 203	2 203	1 931	1 975	2 008	1 952
Other expenses	428	428	443	452	464	485
Total expenses	11 102	11 142	11 952	12 345	12 744	13 305
Net result	108	108	10	(48)	(11)	(230)
Comprehensive result	108	108	10	(48)	(11)	(230)

Explanation of Major Variations

The increase in Sales of goods and services reflects additional revenue from fees for financial audit services and the introduction of revenue from sustainability assurance.

The increase in Employee benefits reflects increased staffing requirements to efficiently deliver the full program of work as outlined in the Auditor-General 2026-27 Annual Plan.

Table 22.4: Statement of Financial Position as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Financial assets						
Cash and deposits	2 223	2 223	2 201	2 222	2 314	2 187
Receivables	419	248	248	240	221	202
Contract assets	837	578	588	582	553	524
	3 479	3 049	3 037	3 044	3 088	2 913
Non-financial assets						
Property, plant and equipment	....	590	590	590	590	590
Intangibles	1	1	....	....	....	....
Other assets	606	20	20	20	20	20
	607	611	610	610	610	610
Total assets	4 086	3 660	3 647	3 654	3 698	3 523
Liabilities						
Payables	171	89	86	83	80	77
Contract liabilities	432	713	706	699	692	685
Employee benefits	1 330	1 348	1 335	1 400	1 465	1 530
Superannuation	145	148	148	148	148	148
Other liabilities	....	8	8	8	8	8
Total liabilities	2 078	2 306	2 283	2 338	2 393	2 448
Net assets (liabilities)	2 008	1 354	1 364	1 316	1 305	1 075
Equity						
Accumulated funds	840	186	196	148	137	(93)
Other Equity	1 168	1 168	1 168	1 168	1 168	1 168
Total equity	2 008	1 354	1 364	1 316	1 305	1 075

Explanation of Major Variations

The variation in Contract assets and Contract liabilities relates to the timing of charging, collecting and payment of audit fees.

The decrease in Other assets from 2026 reflects depreciation of office improvements.

The decrease in Employee benefits in 2027 recognises the 27th pay and the reduction in the associated liability accrued over prior years.

Table 22.5: Statement of Cash Flows

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash inflows						
Appropriation receipts - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation receipts - rollover	147	147	....	....	....	....
Sales of goods and services	7 960	7 960	8 813	9 172	9 547	9 879
GST receipts	672	672	672	672	672	672
Other cash receipts	33	33	31	32	32	34
Total cash inflows	12 105	12 145	12 572	12 931	13 401	13 813
Cash outflows						
Employee benefits	(7 476)	(7 516)	(8 324)	(8 628)	(8 932)	(9 454)
Superannuation	(1 094)	(1 094)	(1 168)	(1 204)	(1 254)	(1 328)
GST payments	(672)	(672)	(672)	(672)	(672)	(672)
Supplies and consumables	(2 202)	(2 202)	(1 931)	(1 975)	(2 008)	(1 952)
Other cash payments	(428)	(428)	(443)	(452)	(464)	(485)
Total cash outflows	(11 872)	(11 912)	(12 538)	(12 931)	(13 330)	(13 891)
Net cash from (used by) operating activities	233	233	34	0	71	(78)
Cash flows from investing activities						
Payments for acquisition of non-financial assets	(9)	(9)	(12)	(13)	(13)	(13)
Net cash from (used by) investing activities	(9)	(9)	(12)	(13)	(13)	(13)
Net increase (decrease) in cash and cash equivalents held	224	224	22	(13)	58	(91)
Cash and deposits at the beginning of the reporting period	1 999	1 999	2 223	2 245	2 232	2 290
Cash and deposits at the end of the reporting period	2 223	2 223	2 245	2 232	2 290	2 199

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Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



17 APR 2026

Mr Jonathon Wassell
Acting Auditor General
Tasmanian Audit Office
Level 2, 144 Macquarie Street
HOBART TAS 7000

Issued by email only

Dear Acting Auditor-General

Thank you for your letter of 10 April 2026 regarding the submission of the Tasmanian Audit Office 2026-27 Budget Paper chapter.

The commitment made by the Premier and me on 3 December 2025 to support the delivery of at least six performance audits per annum is recognised. The Auditor-General's 2026-27 annual plan, developed in consultation with the Public Accounts Committee on that basis, has also been considered. Advice outlining two options for submission of the Office's 2026-27 Budget Paper chapter, including a preference for Option 2, being submission of a Budget chapter reflecting additional fee revenue and associated expenditure required to deliver the planned audit program across the Forward Estimates has also been reviewed.

Both options presented have been carefully considered.

In relation to Option 2, final Budget appropriation decisions have been taken by the Government and Specific Purpose Account (SPA) transactions are now settled for the purposes of preparing the Budget Papers and consolidated financial statements. The Budget Papers constitute an integrated and internally consistent suite of documents. Any deviation from approved SPA transactions in the presentation of revenue and expenditure would result in inconsistencies across the Budget Papers, including reporting of SPA and trust transactions and reconciliation to whole-of-Budget aggregates. For these reasons, Option 2 is not supported.

Concerns have been raised that Option 1 would result in the published Budget Papers not reflecting the full funding position known at the time of release. While this concern is understood, any requirement for additional audit fee revenue and associated expenditure during the 2026-27 financial year can be managed through established within-year Budget management processes. This approach preserves the integrity of the Budget process

OFFICIAL

while enabling agencies to respond to operational and funding requirements, as they arise during the financial year.

Importantly, Option 1 does not constrain the Auditor-General's independence nor preclude delivery of the planned audit program. Treasury will continue to work with the Tasmanian Audit Office to progress appropriate within-year SPA amendments in 2026-27 should this be required.

Accordingly, I endorse Option 1, being submission of the Office's Budget Chapter with no change to forecast revenue or expenditure.

My office has also reviewed the content of the Option 1 version of the Budget chapter and has proposed some minor updates to the narrative (attached) for inclusion prior to submission to Treasury as a ministerially endorsed document.

Thank you again for writing to me.

Yours sincerely



Hon Eric Abetz MP
Treasurer



Legislative Council Select Committee
ESTIMATES A

1 June 2026

Martin Thompson
Auditor-General

Email: martin.thompson@audit.tas.gov.au

Dear Auditor-General

Appropriation Bill (No. 2) 2026

As a result of the examination of the Estimates of the Auditor-General by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Friday 5 June 2026**.

BILL NO 2/DIVISION 8 – TASMANIAN AUDIT OFFICE

Output Group 1 – Public Sector Performance and Accountability

1.1 Public Sector Performance and Accountability

1. Please provide the correspondence from you to the Treasurer regarding your budget.

Yours sincerely

HON RUTH FORREST MLC
Chair

w. 03 6212 2249 e. jenny.mannering@parliament.tas.gov.au

cc: Hon Eric Abetz, MP, Treasurer

4 June 2026

The Hon Ruth Forrest MLC
Chair, Legislative Council Select Committee
Estimates A, 2026
Parliament House
HOBART TAS 7000

Issued by email only

Dear Ruth

Information requested by the Legislative Council Select Committee Estimates A (2026)

The Committee has requested the Auditor-General provide 'the correspondence from you to the Treasurer regarding your budget'.

In response to that request, please find attached letter dated 10 April 2026 seeking the required ministerial endorsement for the Tasmanian Audit Office 2026-27 budget paper chapter.

Contextual information to the letter dated 10 April 2026

The Committee will note the letter was signed by Jonathan Wassell, Acting Auditor-General. I was on leave at this time, and under section 13 of the *Audit Act 2008*, any act by the Deputy Auditor-General has the same effect as if it were done by the Auditor-General.

The Committee will also note that the letter seeks the Treasurer's endorsement of an option that would raise fee revenue over the reduced level of appropriation to meet the commitment to deliver six performance audits. This letter was sent after the Auditor-General had previously submitted a budget bid seeking sufficient appropriation revenue to meet this commitment but became aware that bid had been unsuccessful.

It remains the preferred position of the Auditor-General that performance audits should be fully funded through appropriation as they are for the purpose of reporting to Parliament. The option of raising fee revenue would be necessary to meet the commitment of six performance audit reports if the appropriation revenue remains at the reduced level of \$2.4 million rather than the \$3.1 million requested.

The Treasurer subsequently wrote to reaffirm his recognition of the commitment made by the Premier and himself to support the delivery of six performance audits per annum, noting that he understood the budget papers did not reflect the full funding position and

that any requirement for additional audit fee revenue and associated expenditure could be managed through within year budget management processes.

Other clarifications to the testimony given

Having reviewed the testimony given relating to the budget and functions of the Auditor-General, the following clarifying information may assist the Committee.

The number of performance audit reports funded by appropriation

The revenue from appropriation included in Table 8.1 Chapter 8 of \$2.430 million in 2026-27 is **not sufficient** to the commitment to deliver six performance audits per annum and the Auditor-General's reporting to Parliament.

The revenue from appropriation for Output Group 1 – Public Sector Performance and Accountability funds a range of products including reports on the outcomes of financial statement audits, performance audits, compliance audits, examinations and investigations and follow-up of implementation of recommendations from previous reports to Parliament.

Examinations, investigations, compliance and follow-up audits are conducted under Australian Standards on Assurance Engagements (ASAE 3500), generally to a limited assurance standard, which is significantly narrower in scope than a full performance audit expressing a reasonable assurance opinion.

Consequently, it is incorrect to state that the \$2.727m in 2025-26 has provided for six performance audits.

Over the last two financial years, I have delivered the following products to Parliament:

In 2024-25 with an appropriation of \$2.943m including rollover, the office delivered:

- 3 volumes of the Auditor-General's report on the financial statements of State entities
- **2 performance audits**, (funding community service organisations and shared services in the General Government Sector)
- 3 limited follow-ups audits (underperformance, internal audit, Uni accommodation), and
- 2 examinations and investigations from referrals (TCF, Ashley)

In 2025-26 with an appropriation of \$2.874m including rollover, the office will deliver:

- 4 volumes of the Auditor-General's report on the financial statements of State entities
- **4 performance audits** (landfill, investment facilitation through the OCG, HRIS, Gifts and Benefits in the General Government Sector)
- 2 limited follow up audits (GM recruitment, Roads), and
- 1 examination and investigation from referral (Wilkinsons Point)

From 2026-27 onwards, follow-up of previous performance audit recommendations will be conducted as part of the annual audit outcomes report to State entities with significant matters included in the relevant volume of the Auditor-General's reports to Parliament.

The Auditor-General's role in setting the budget

Contemporary practice is that neither the auditor nor the Treasurer or Treasury Department as principal auditee sets the Auditor-General's budget. The Parliament informs the level of audit coverage it requires and ensures there is sufficient funds for the efficient and economical delivery of that program.

A recent report concerning funding for integrity agencies from the Centre of Public Integrity ([Beyond Labels: Securing Functional Independence for Core Integrity Agencies](#)) had this to say about funding: "The first potential lever is control of funding. Integrity agencies are often treated like any other executive branch agency when it comes to funding. This leaves the executive branch government vast discretion to determine the budgets of integrity agencies, with little incentive to prioritise their budgets within the larger portfolio. This funding power has been repeatedly used to weaken the ability of the integrity agency to properly oversee the exercise of public power. True integrity agency independence requires finding a way to ensure that integrity agencies are not fully dominated by the executive branch."

Further analysis of this issue is available in this report: [Independence of the Australasian Auditors General Report 2025](#). "The issue of executive government control over setting the annual appropriation for Auditors-General is an issue shared with other agencies charged with ensuring accountability of the government, not the least being the parliament itself. Financial independence is not simply about providing a better level of assurance that adequate funding will be provided, but also one of transparency. Budget-setting processes controlled by the executive government (usually by Treasury officers and Cabinet subcommittees) are inevitably out of public sight until an annual appropriation bill is presented to parliament as a 'fait accompli'. In NSW, recent amendments have increased the transparency of the process for determining the annual appropriation for the Auditor-General. The *Government Sector Audit Act 1983* provides the Public Accounts Committee with a role in examining the proposed annual funding for the Auditor-General and reporting to parliament. Section 4 14B of the *Government Sector Finance Act 2018* requires the Treasurer to provide information on any variation to the appropriation requested and to respond to comments by the Public Accounts Committee."

Yours sincerely



Martin Thompson
Auditor-General

Encl.

Copy for:

Secretariat jenny.mannering@parliament.tas.gov.au

Hon Eric Abetz MP, Treasurer eric.abetz@parliament.tas.gov.au

10 April 2026

The Honourable Eric Abetz MP
Treasurer
Executive Building
15 Murray Street
Hobart Tasmania 7000

Issued by email only

Ministerial Brief - Portfolio Minister approval for the Tasmanian Audit Office to submit 2026-27 Budget Paper Chapter

Purpose

The purpose of this brief is to:

- outline the background to the submission of two versions of the Tasmanian Audit Office's 2026-27 Budget Chapter,
- inform you of the preferred approach to ensure transparency of revenue and expenditure required for the Office to meet Parliamentary reporting requirements and deliver six performance audits per annum across the forward estimates,
- seek your endorsement of the Tasmanian Audit Office budget chapter within the submission timeframe of 15 April 2026.

Recommendation

It is recommended that the Treasurer, as the responsible Minister, approve option 2, being the submission of the Tasmanian Audit Office 2026-27 Budget Chapter which transparently reflects an additional \$0.8 million in fee revenue and associated expenditure in the budget year, escalated over the forward estimates, required to meet Parliamentary reporting requirements and deliver the planned audit program.

Key issues and background

- Tabled in Parliament on 3 December 2025, the Premier and Treasurer wrote to Dean Harris MLC, committing to ensure that funding over the forward estimates supports at least six (6) performance audits per annum. The Auditor-General's annual plan for 2026-27 was developed in consultation with the Public Accounts Committee based on that commitment and provides for the delivery of six full performance audits.

- To support delivery of that program, the Tasmanian Audit Office submitted a budget bid on 22 January 2026 seeking additional operating appropriation revenue. On 19 March 2026, the Tasmanian Audit Office received the draft 2026-27 Budget Papers, which did not include the requested appropriation funding. Since the proposed appropriation funding is insufficient to deliver six performance audits per annum, the Auditor-General advised Treasury on 24 March 2026 that in accordance with section 27 of the *Audit Act 2008*, additional audit fees would be charged to address the funding shortfall, with the additional revenue to be recognised as sale of goods and services.
- Treasury advised on 24 March 2026 that budget submissions had closed and that the amendment to increase sales of goods and services revenue could not be made. On 8 April 2026, Treasury further advised that no uplift to the operating appropriation had been approved, final appropriation decisions had been made by Government, and that SPA transactions were locked for the purposes of the 2026-27 Budget Papers. Treasury's advice recommended that the additional fee revenue and expenditure be managed through a within-year amendment to the office's Special Purpose Account limits in the 2026-27 financial year.
- While that approach could potentially address the funding requirement during the year, it would result in the Budget Papers and forward estimates presenting a funding position that is known at the time of publication to be incomplete which is not consistent with the principles of sound fiscal management. It would present a budget position that understates the true cost of delivering the planned program of work and potentially limit recruitment for specialist audit capability without confirmed budget authority reflected in the Budget Papers.
- The Auditor-General prefers to transparently disclose the expected funding and costs required to deliver the planned audit program across the forward estimates.
- Accordingly, two versions of the Tasmanian Audit Office 2026-27 Budget Chapter have been prepared: one reflecting instruction provided by Treasury's budget management branch, and a second version transparently showing the additional \$0.8 million in fee revenue and associated expenditure, escalated over the forward estimates, required to deliver six performance audits per annum.

Analysis of Options

Option 1: Submit a Budget Chapter compliant with instructions provided by Budget Management Branch

Under this option, the Tasmanian Audit Office submits a Ministerially endorsed 2026-27 Budget Chapter with no change to forecast revenue or expenditure, with additional funding to be addressed through a within-year SPA amendment.

Risk and considerations:

- Complies fully with Treasury's procedural advice and related budget management processes.
- Does not reflect the full cost of delivering the planned program of work, resulting in reduced transparency in the Budget Papers and forward estimates.

- Relies on a subsequent within-year SPA adjustment, meaning the published budget position is known to be incomplete at the time of release.
- Does not accurately reflect how the Tasmanian Audit Office expects to fund and deliver the publicly committed level of audit activity.
- The absence of a confirmed budget position in the Budget Papers may hinder the Tasmanian Audit Office's ability to attract and retain suitably qualified staff required to deliver high-quality performance audits.

Option 2: Submit a Ministerially endorsed Budget Chapter that reflects the true cost of delivering the program (preferred)

Under this option, the Tasmanian Audit Office submits a version of the 2026-27 Budget Chapter incorporating the additional \$0.8 million in fee revenue and associated expenditure required to deliver the planned program of work, ensuring that an accurate budget forecast for 2026-27 and the forward estimates is reflected.

Risk and considerations:

- This approach is not consistent with Treasury's budget management branch processes, noting advice that budget submissions have closed and SPA transactions are locked.
- No changes are sought to approved appropriation decisions.
- This option ensures the Budget Papers transparently disclose the costs and revenue required to deliver the agreed audit program consistent with the principles of sound fiscal management.
- Preserves the independence of the Auditor-General by avoiding any implied expectation that audit scope or depth be reduced to align with insufficient appropriation funding.

Approval

Provide the required Ministerial endorsement for the Tasmanian Audit Office to either:

Option 1: submit the 2026-27 Budget Chapter with no change to forecast revenue or expenditure, to remain compliant with Treasury's Budget Management Branch instructions, or

Option 2 (preferred): Submit the 2026-27 Budget Chapter incorporating the additional \$0.8 million in fee revenue and associated expenditure required to deliver the planned program of work, to ensure an accurate budget forecast for 2026-27 and the forward estimates.

Please provide Ministerial endorsement for your chosen option.

Yours sincerely,



Jonathan Wassell

Acting Auditor-General

22 TASMANIAN AUDIT OFFICE

AGENCY OUTLINE

Tasmanian Audit Office provides support and services to the Auditor-General to fulfil his role and responsibilities under the *Audit Act 2008*. The principal responsibilities of the Auditor-General and Tasmanian Audit Office are to:

- provide an audit report on the: Total State; General Government Sector; and Public Account Statements, which form part of the Treasurer's Annual Financial Report;
- conduct audits of financial statements of State entities and audited subsidiaries and issue audit reports outlining compliance with relevant accounting standards and legislation;
- issue audit reports and other formal communications of audit findings to State entities, audited subsidiaries, responsible Ministers and relevant accountable authorities; and
- report to Parliament on the results of the audits of State entities and audited subsidiaries of State entities in respect of the preceding financial year.

The Auditor-General and Tasmanian Audit Office also undertake performance audits examining the efficiency, effectiveness and economy of State entities and compliance audits examining the compliance by State entities with written laws or their own internal policies. Examinations or investigations are also undertaken for the purpose of:

- examining the accounting and financial management information systems of the Treasurer, State entities or subsidiaries of State entities to determine their effectiveness in achieving or monitoring program results;
- investigating any matter relating to the accounts of the Treasurer, State entities or subsidiaries of State entities;
- investigating any matter relating to public money or other money, or to public property or other property; and
- examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

Reports on the results of performance or compliance audits, examinations or investigations are, in most cases, reported to Parliament for its consideration.

This chapter provides financial information about the Output to be delivered by the Office in 2026-27 and over the Forward Estimates (2027-28 to 2029-30). Further information about the Office is provided on its website (www.audit.tas.gov.au).

OUTPUT GROUPS

The Output of Tasmanian Audit Office is provided under:

- Output Group 1 – Public Sector Performance and Accountability

Revenue and Expense Summary

This section provides a summary of the appropriation revenue and total expense estimates for the Department. Tables 22.1 and 22.2 provide the Revenue from Appropriation and Total Expenses by Portfolio and Output. This is followed by an explanation where there are major variations in revenue and/or expense estimates of an Output Group.

Table 22.1: Revenue from Appropriation by Portfolio and Output

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Treasurer						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	2 727	2 727	2 430	2 409	2 494	2 562
	2 727	2 727	2 430	2 409	2 494	2 562
Tasmanian Audit Office						
Total Operating Services	2 727	2 727	2 430	2 409	2 494	2 562
	2 727	2 727	2 430	2 409	2 494	2 562
Reserved by Law						
Salary and Travelling Allowance, Auditor-General (Audit Act 2008)	566	606	626	646	656	666
	566	606	626	646	656	666
Appropriation Rollover	147	147	....	....	....	....
Total Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
Controlled Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
	3 440	3 480	3 056	3 055	3 150	3 228

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

The decrease in appropriation revenue from 2026-27 primarily reflects the conclusion of the 2023-24 Budget initiative - Implementation of Data Analytics (a four-year allocation from 2023-24 to 2025-26), and the ongoing impact of the 2024 Performance and Efficiency Measure.

Table 22.2: Total Expenses by Portfolio and Output

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Treasurer</i>						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	11 102	11 142	11 148	11 541	11 940	12 501
	11 102	11 142	11 148	11 541	11 940	12 501
TOTAL	11 102	11 142	11 148	11 541	11 940	12 501

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

The expenses for the Output Group includes expenses of the Office funded by revenue from financial audit services retained in its Agency Financial Management Account.

Output Group 1: Public Sector Performance and Accountability

1.1 Public Sector Performance and Accountability

This Output enables the Office to provide independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector.

This is achieved through an annual program of:

- attest assurance engagements - where the accountable authority of a state entity or audited subsidiary of a state entity 'attests' the financial statements or other financial information as being true and fair or fairly presented, and the Auditor-General or delegate expresses an opinion on that assertion; and

- direct assurance engagements and Parliamentary reporting - which incorporates performance and/or compliance audits, examinations and investigations and, where appropriate, reporting of outcomes to Parliament.

DETAILED BUDGET STATEMENTS

The following Tables present detailed Budget statements for the Department. Each Statement is followed by an explanation of major variations where applicable.

Table 22.3: Statement of Comprehensive Income

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income						
Appropriation revenue - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation revenue - rollover	147	147	....	....	....	....
Sales of goods and services	7 737	7 737	8 071	8 406	8 747	9 009
Other revenue	33	33	31	32	32	34
Total revenue	11 210	11 250	11 158	11 493	11 929	12 271
Total income	11 210	11 250	11 158	11 493	11 929	12 271
Expenses						
Employee benefits	8 385	8 425	8 688	9 028	9 382	9 978
Depreciation and amortisation	86	86	86	86	86	86
Supplies and consumables	2 203	2 203	1 931	1 975	2 008	1 952
Other expenses	428	428	443	452	464	485
Total expenses	11 102	11 142	11 148	11 541	11 940	12 501
Net result	108	108	10	(48)	(11)	(230)
Comprehensive result	108	108	10	(48)	(11)	(230)

Explanation of Major Variations

The increase in Sales of goods and services reflects additional revenue from fees for financial audit services and the introduction of revenue from sustainability assurance.

The increase in Employee benefits reflects increased staffing requirements to efficiently deliver audits.

Table 22.4: Statement of Financial Position as at 30 June

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Financial assets						
Cash and deposits	2 223	2 223	2 201	2 222	2 314	2 187
Receivables	419	248	248	240	221	202
Contract assets	837	578	588	582	553	524
	3 479	3 049	3 037	3 044	3 088	2 913
Non-financial assets						
Property, plant and equipment	....	590	590	590	590	590
Intangibles	1	1	....	....	....	....
Other assets	606	20	20	20	20	20
	607	611	610	610	610	610
Total assets	4 086	3 660	3 647	3 654	3 698	3 523
Liabilities						
Payables	171	89	86	83	80	77
Contract liabilities	432	713	706	699	692	685
Employee benefits	1 330	1 348	1 335	1 400	1 465	1 530
Superannuation	145	148	148	148	148	148
Other liabilities	....	8	8	8	8	8
Total liabilities	2 078	2 306	2 283	2 338	2 393	2 448
Net assets (liabilities)	2 008	1 354	1 364	1 316	1 305	1 075
Equity						
Accumulated funds	840	186	196	148	137	(93)
Other Equity	1 168	1 168	1 168	1 168	1 168	1 168
Total equity	2 008	1 354	1 364	1 316	1 305	1 075

Explanation of Major Variations

The variation in Contract assets and Contract liabilities relates to the timing of charging, collecting and payment of audit fees.

The decrease in Other assets from 2026 reflects depreciation of office improvements.

The decrease in Employee benefits in 2027 recognises the 27th pay and the reduction in the associated liability accrued over prior years.

Table 22.5: Statement of Cash Flows

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash inflows						
Appropriation receipts - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation receipts - rollover	147	147	....	....	....	....
Sales of goods and services	7 960	7 960	8 309	8 668	9 043	9 305
GST receipts	672	672	672	672	672	672
Other cash receipts	33	33	31	32	32	34
Total cash inflows	12 105	12 145	12 068	12 427	12 897	13 239
Cash outflows						
Employee benefits	(7 476)	(7 516)	(7 785)	(8 026)	(8 363)	(8 859)
Superannuation	(1 094)	(1 094)	(1 166)	(1 187)	(1 204)	(1 304)
GST payments	(672)	(672)	(672)	(672)	(672)	(672)
Supplies and consumables	(2 202)	(2 202)	(2 012)	(2 056)	(2 089)	(2 033)
Other cash payments	(428)	(428)	(443)	(452)	(464)	(485)
Total cash outflows	(11 872)	(11 912)	(12 078)	(12 393)	(12 792)	(13 353)
Net cash from (used by) operating activities	233	233	(10)	34	105	(114)
Cash flows from investing activities						
Payments for acquisition of non-financial assets	(9)	(9)	(12)	(13)	(13)	(13)
Net cash from (used by) investing activities	(9)	(9)	(12)	(13)	(13)	(13)
Net increase (decrease) in cash and cash equivalents held	224	224	(22)	21	92	(127)
Cash and deposits at the beginning of the reporting period	1 999	1 999	2 223	2 201	2 222	2 314
Cash and deposits at the end of the reporting period	2 223	2 223	2 201	2 222	2 314	2 187

22 TASMANIAN AUDIT OFFICE (OPTION 2)

AGENCY OUTLINE

Tasmanian Audit Office provides support and services to the Auditor-General to fulfil his role and responsibilities under the *Audit Act 2008*. The principal responsibilities of the Auditor-General and Tasmanian Audit Office are to:

- provide an audit report on the: Total State; General Government Sector; and Public Account Statements, which form part of the Treasurer's Annual Financial Report;
- conduct audits of financial statements of State entities and audited subsidiaries and issue audit reports outlining compliance with relevant accounting standards and legislation;
- issue audit reports and other formal communications of audit findings to State entities, audited subsidiaries, responsible Ministers and relevant accountable authorities; and
- report to Parliament on the results of the audits of State entities and audited subsidiaries of State entities in respect of the preceding financial year.

The Auditor-General and Tasmanian Audit Office also undertake performance audits examining the efficiency, effectiveness and economy of State entities and compliance audits examining the compliance by State entities with written laws or their own internal policies. Examinations or investigations are also undertaken for the purpose of:

- examining the accounting and financial management information systems of the Treasurer, State entities or subsidiaries of State entities to determine their effectiveness in achieving or monitoring program results;
- investigating any matter relating to the accounts of the Treasurer, State entities or subsidiaries of State entities;
- investigating any matter relating to public money or other money, or to public property or other property; and
- examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

Reports on the results of performance or compliance audits, examinations or investigations are, in most cases, reported to Parliament for its consideration.

This chapter provides financial information about the Output to be delivered by the Office in 2026-27 and over the Forward Estimates (2027-28 to 2029-30). Further information about the Office is provided on its website (www.audit.tas.gov.au).

OUTPUT GROUPS

The Output of Tasmanian Audit Office is provided under:

- Output Group 1 – Public Sector Performance and Accountability

Revenue and Expense Summary

This section provides a summary of the appropriation revenue and total expense estimates for the Department. Tables 22.1 and 22.2 provide the Revenue from Appropriation and Total Expenses by Portfolio and Output. This is followed by an explanation where there are major variations in revenue and/or expense estimates of an Output Group.

Table 22.1: Revenue from Appropriation by Portfolio and Output

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Treasurer						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	2 727	2 727	2 430	2 409	2 494	2 652
	2 727	2 727	2 430	2 409	2 494	2 652
Tasmanian Audit Office						
Total Operating Services	2 727	2 727	2 430	2 409	2 494	2 562
	2 727	2 727	2 430	2 409	2 494	2 562
Reserved by Law						
Salary and Travelling Allowance, Auditor-General (Audit Act 2008)	566	606	626	646	656	666
	566	606	626	646	656	666
Appropriation Rollover	147	147	....	....	....	....
Total Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
Controlled Revenue from Appropriation	3 440	3 480	3 056	3 055	3 150	3 228
	3 440	3 480	3 056	3 055	3 150	3 228

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

The decrease in appropriation revenue from 2026-27 primarily reflects the conclusion of the 2023-24 Budget initiative - Implementation of Data Analytics (a four-year allocation from 2023-24 to 2025-26), and the ongoing impact of the 2024 Performance and Efficiency Measure.

Table 22.2: Total Expenses by Portfolio and Output

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Treasurer</i>						
Output Group 1 - Public Sector Performance and Accountability						
1.1 Public Sector Performance and Accountability	11 102	11 142	11 952	12 308	12 707	13 318
	11 102	11 142	11 952	12 308	12 707	13 318
TOTAL	11 102	11 142	11 952	12 308	12 707	13 318

Explanation of Major Variations

Output Group 1: Public Sector Performance and Accountability

Expenses for the Output Group are comprised of Office-related costs, including the delivery of six full-scope performance audits, funded through revenue retained from financial audit services in the Agency Financial Management Account.

Output Group 1: Public Sector Performance and Accountability

1.1 Public Sector Performance and Accountability

This Output enables the Office to provide independent assurance to the Parliament and community on the performance and accountability of the Tasmanian Public Sector.

This is achieved through an annual program of:

- attest assurance engagements - where the accountable authority of a state entity or audited subsidiary of a state entity 'attests' the financial statements or other financial information as being true and fair or fairly presented, and the Auditor-General or delegate expresses an opinion on that assertion; and

- direct assurance engagements and Parliamentary reporting - which incorporates performance and/or compliance audits, examinations and investigations and, where appropriate, reporting of outcomes to Parliament.

DETAILED BUDGET STATEMENTS

The following Tables present detailed Budget statements for the Department. Each Statement is followed by an explanation of major variations where applicable.

Table 22.3: Statement of Comprehensive Income

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income						
Appropriation revenue - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation revenue - rollover	147	147	....	....	....	....
Sales of goods and services	7 737	7 737	8 875	9 210	9 551	9 813
Other revenue	33	33	31	32	32	34
Total revenue	11 210	11 250	11 962	12 297	12 733	13 075
Total income	11 210	11 250	11 962	12 297	12 733	13 075
Expenses						
Employee benefits	8 385	8 425	9 492	9 832	10 186	10 782
Depreciation and amortisation	86	86	86	86	86	86
Supplies and consumables	2 203	2 203	1 931	1 975	2 008	1 952
Other expenses	428	428	443	452	464	485
Total expenses	11 102	11 142	11 952	12 345	12 744	13 305
Net result	108	108	10	(48)	(11)	(230)
Comprehensive result	108	108	10	(48)	(11)	(230)

Explanation of Major Variations

The increase in Sales of goods and services reflects additional revenue from fees for financial audit services and the introduction of revenue from sustainability assurance.

The increase in Employee benefits reflects increased staffing requirements to efficiently deliver the full program of work as outlined in the Auditor-General 2026-27 Annual Plan.

Table 22.4: Statement of Financial Position as at 30 June

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Financial assets						
Cash and deposits	2 223	2 223	2 201	2 222	2 314	2 187
Receivables	419	248	248	240	221	202
Contract assets	837	578	588	582	553	524
	3 479	3 049	3 037	3 044	3 088	2 913
Non-financial assets						
Property, plant and equipment	....	590	590	590	590	590
Intangibles	1	1	....	....	....	....
Other assets	606	20	20	20	20	20
	607	611	610	610	610	610
Total assets	4 086	3 660	3 647	3 654	3 698	3 523
Liabilities						
Payables	171	89	86	83	80	77
Contract liabilities	432	713	706	699	692	685
Employee benefits	1 330	1 348	1 335	1 400	1 465	1 530
Superannuation	145	148	148	148	148	148
Other liabilities	....	8	8	8	8	8
Total liabilities	2 078	2 306	2 283	2 338	2 393	2 448
Net assets (liabilities)	2 008	1 354	1 364	1 316	1 305	1 075
Equity						
Accumulated funds	840	186	196	148	137	(93)
Other Equity	1 168	1 168	1 168	1 168	1 168	1 168
Total equity	2 008	1 354	1 364	1 316	1 305	1 075

Explanation of Major Variations

The variation in Contract assets and Contract liabilities relates to the timing of charging, collecting and payment of audit fees.

The decrease in Other assets from 2026 reflects depreciation of office improvements.

The decrease in Employee benefits in 2027 recognises the 27th pay and the reduction in the associated liability accrued over prior years.

Table 22.5: Statement of Cash Flows

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash inflows						
Appropriation receipts - operating	3 293	3 333	3 056	3 055	3 150	3 228
Appropriation receipts - rollover	147	147	....	....	....	....
Sales of goods and services	7 960	7 960	8 813	9 172	9 547	9 879
GST receipts	672	672	672	672	672	672
Other cash receipts	33	33	31	32	32	34
Total cash inflows	12 105	12 145	12 572	12 931	13 401	13 813
Cash outflows						
Employee benefits	(7 476)	(7 516)	(8 324)	(8 628)	(8 932)	(9 454)
Superannuation	(1 094)	(1 094)	(1 168)	(1 204)	(1 254)	(1 328)
GST payments	(672)	(672)	(672)	(672)	(672)	(672)
Supplies and consumables	(2 202)	(2 202)	(1 931)	(1 975)	(2 008)	(1 952)
Other cash payments	(428)	(428)	(443)	(452)	(464)	(485)
Total cash outflows	(11 872)	(11 912)	(12 538)	(12 931)	(13 330)	(13 891)
Net cash from (used by) operating activities	233	233	34	0	71	(78)
Cash flows from investing activities						
Payments for acquisition of non-financial assets	(9)	(9)	(12)	(13)	(13)	(13)
Net cash from (used by) investing activities	(9)	(9)	(12)	(13)	(13)	(13)
Net increase (decrease) in cash and cash equivalents held	224	224	22	(13)	58	(91)
Cash and deposits at the beginning of the reporting period	1 999	1 999	2 223	2 245	2 232	2 290
Cash and deposits at the end of the reporting period	2 223	2 223	2 245	2 232	2 290	2 199



Legislative Council Select Committee
ESTIMATES A

4 June 2026

The Hon Eric Abetz MP
Minister for Macquarie Point Urban Renewal
10th Floor, Executive Building
15 Murray Street
HOBART 7000

Email: eric.abetz@dpac.tas.gov.au

Dear Minister

Appropriation Bill (No. 1) 2026

As a result of the examination of the Estimates of the Minister for Macquarie Point Urban Renewal by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Tuesday 9 June 2026**.

DIVISION 10 – DEPARTMENT OF PREMIER AND CABINET

GRANTS AND SUBSIDIES

1. Please provide a list of amendments to the Club Development Funding Agreement between the Government and AFL.
2. In relation to the proposed Macquarie Point stadium, can the Minister confirm the P90 assessment referenced in the 4 December letter to the Hon Member for Elwick was to an Australian industry standard?

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ruth Forrest'.

HON RUTH FORREST MLC
Chair

w. 03 6212 2249 e. jenny.mannering@parliament.tas.gov.au

cc – matthew.hochman@dpac.tas.gov.au

Treasurer
Leader of Government Business
Minister for Macquarie Point Urban Renewal

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



12 JUN 2026

The Hon Ruth Forrest MLC
Chair
Legislative Council
Estimates Committee 'A'
By email: jenny.mannering@parliament.tas.gov.au

APPROPRIATION BILL (No. 1) 2026

Dear Ms Forrest

DIVISION 10 – DEPARTMENT OF PREMIER AND CABINET Output Group 1

Thank you for your letter dated 4 June 2026, requesting additional information following examination of my portfolio by the Legislative Council Select Budget Estimates Committee 'A'. Please find the requested information below for noting.

1. Please provide a list of amendments to the Club Development Funding Agreement between the Government and AFL.

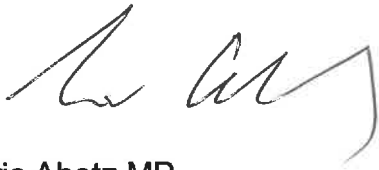
Please refer to the table appended.

2. In relation to the proposed Macquarie Point stadium, can the Minister confirm the P90 assessment referenced in the 4 December letter to the Hon Member for Elwick was to an Australian Industry standard?

The P90 cost estimate is to an industry standard.

The probabilistic cost risk model, that produces the P90 cost estimate, was prepared in accordance with State Government, Australian Government, Industry guidance documents and ISO 31000:2018 Risk Management - Principles and Guidelines. It was prepared by the project consultant quantity surveyor, who is an expert in construction costs.

As a project estimate, using a probabilistic risk management assessment is appropriate through the design process, as illustrated in the Australian Government's Infrastructure Project Assurance framework, including in Guidance Note 3B - Deterministic Contingency Estimation, November 2023.

A handwritten signature in black ink, appearing to read 'Eric Abetz', written in a cursive style.

Hon Eric Abetz MP
Treasurer
Minister for Macquarie Point Urban Renewal

AFL Club Funding and Development Agreement – Summary of changes

Variation number & date; sections amended	Summary of change
01 19 July 2023 Schedule 2 – Constitution	Inclusion of Constitution of Tasmania Football Club AFL Limited (previous version had a sample constitution)
02 29 December 2024 Schedule 12 – Statutory Approvals	Amended dates for TA Facility planning and Public Works committee approval, from 31 December 2024 to 31 March 2025. Conditions including agreement to re-examine delivery model for TA Facility (agreement by 31 March 2025), using reasonable endeavours to obtain additional Tasmanian Government funding for TA Facility and advising AFL and Club of status of additional funding request. Breach of conditions to be deemed a breach of the CFDA.
03 30 March 2025 Schedule 12 – Statutory Approvals	Amended dates for TA Facility planning and Public Works committee approval to 31 December 2025. Conditions as per Variation 02. Additional detail regarding breach (written notice, 30 days to cure breach).
04 30 June 2025 Schedule 12 – Statutory Approvals Schedule 11 – Governance Additional text from Variation 03 also amended	Dates for appropriation of funds, planning approval and Public Works committee approval for both TA Facility and stadium amended (multiple different dates). Dates for agreed delivery model for TA Facility and Cabinet approval of additional funds for TA Facility amended. Changes to TA Facility Project Governance (removal of Project Control Group, restructuring of Steering Committee to include unanimous voting). Schedule 11 (Governance) replaced to implement these changes.
05 05 August 2025 Schedule 12 – Statutory Approvals	All dates for funding, planning approval and Public Works committee approval amended to 30 November 2025, for both TA Facility and Stadium. Dates for agreement regarding delivery model and additional funding also set to 30 November 2025.

AFL Club Funding and Development Agreement – Summary of changes

Variation number & date; sections amended	Summary of change
Additional text from Variation 03	
<p>06 28 November 2025 Schedule 12 – Statutory Approvals</p>	<p>All dates for planning, appropriation of funds and public works committee approvals set to 30 January 2026. Dates for agreement regarding delivery model and additional funding also set to 30 January 2026. AFL and Club have agreed in writing that Schedule 12 (and associated Clause 4.1) conditions have been met.</p>



Legislative Council Select Committee
ESTIMATES A

1 June 2026

The Hon Eric Abetz MP
Acting Minister for Community and Multicultural Affairs
10th Floor, Executive Building
15 Murray Street
HOBART 7000

Email: eric.abetz@dpac.tas.gov.au

Dear Treasurer

Appropriation Bill (No. 1) 2026

As a result of the examination of the Estimates of the Acting Minister for Community and Multicultural Affairs by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Friday 5 June 2026**.

DIVISION 10 – DEPARTMENT OF PREMIER AND CABINET

Output Group 3 – Community and Government Service Delivery

3.3 Community Services

1. Of all community service funding agreements administered by the Department, what proportion are:
 - Less than one year;
 - One to three years; and
 - Five years or more?
2. Provide a breakdown of salaries and non-salary items and any other funding separately that make up the departmental costs that are not provided to community services organisations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Forrest'.

HON RUTH FORREST MLC
Chair

w. 03 6212 2249 e. jenny.mannering@parliament.tas.gov.au

cc tristan.bick@dpac.tas.gov.au



Legislative Council Select Committee
ESTIMATES A

2 June 2026

The Hon Eric Abetz MP
Minister for Innovation, Science and the Digital Economy
10th Floor, Executive Building
15 Murray Street
HOBART 7000
Email: eric.abetz@dpac.tas.gov.au

Dear Minister

Appropriation Bill (No. 1) 2026

As a result of the examination of the Estimates of the Minister for Innovation, Science and the Digital Economy by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Monday 8 June 2026**.

DIVISION 10 – DEPARTMENT OF PREMIER AND CABINET

OUTPUT GROUP 3 – COMMUNITY AND GOVERNMENT SERVICE DELIVERY

3.1 DIGITAL GOVERNMENT AND INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) – STRATEGY, POLICY AND SERVICE DELIVERY

1. Will the Government commit that essential services remain available by phone, paper and in-person channels, not only through websites, apps or QR codes?

Yours sincerely

HON RUTH FORREST MLC
Chair

w. 03 6212 2249 e. jenny.mannering@parliament.tas.gov.au

cc matthew.hochman@dpa.gov.au

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



Hon Ruth Forrest MLC
Chair
Legislative Council Committee A
By Email: jenny.mannering@parliament.tas.gov.au

APPROPRIATION BILL (No. 1) 2026

Dear Ms Forrest

Please find attached the following responses to questions raised in the examination of the following portfolios: Innovation, Science and the Digital Economy, and Community and Multicultural Affairs.

Division 10 – Department of Premier and Cabinet

Output Group 3 – Community and Government Service Delivery

Question 1:

Will the Government commit that essential services remain available by phone, paper and in-person channels, not only through websites, apps or QR codes?

Answer:

Service Tasmania has a growing range of digital options, such as myServiceTas, allowing Tasmanians to access a personalised online account for selected government services in one place, 'anytime, anywhere'.

Government is committed to maintaining choice in how to access services, with phone and face-to-face options remaining available.

As digital technologies continue to evolve, they can provide greater choice and convenience for the community. However, some services may not have direct non-digital equivalents.

Government continues to focus on providing services across the community and designing delivery arrangements that best meet community needs.

Output – 3.3 Community Services

Question 3.3.1:

Of all community service funding agreements administered by the Department, what proportion are:

- Less than one year;
- One to three years; and
- Five years or more?

Answer:

The below table details the number of funding agreements administered by DPAC – Community Services for the 2025-26 financial year as of 5 June 2026.

Length	Number of Agreements	Comments
Less than one year	107	The majority are 2025-26 competitive grants program recipients.
One to three years	179	Approximately one-third are 2025-26 competitive grants program recipients.
More than three years but less than five years*	32	
Five years or more	1	A further seven organisations (peak bodies) have been approved to transition to five-year agreements as part of the Longer-Term Funding Agreement Review. These organisations will transition to a five-year agreement as current funding agreements conclude.
Total:	319	

Notes:

* This category has been added to reflect funding agreements more than three years but less than five years.

Question 3.3.2:

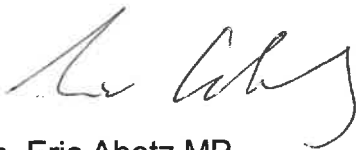
Provide a breakdown of salaries and non-salary items and any other funding separately that make up the departmental costs that are not provided to community services organisations.

Answer:

The below table details forecast figures for 2026-27.

	2026-27 (\$'000)	Comments
Salaries	3,149	This includes staffing costs (salary and superannuation) funded from Appropriation and the Community Support Fund (CSF) for the Gambling Support Program. This includes the three per cent salary increase agreed as part of wage negotiations.
Non-Salaries	128	This includes: <ul style="list-style-type: none"> • Overheads (for example, rent, IT and HR); and • Other supplies and consumables (such as travel and staff training).
Total:	3,277	

Yours Sincerely



Hon. Eric Abetz MP
Treasurer



Legislative Council Select Committee
ESTIMATES A

2 June 2026

The Hon Eric Abetz MP
Minister for Arts and Heritage
10th Floor, Executive Building
15 Murray Street
HOBART 7000

Email: eric.abetz@dpac.tas.gov.au

Dear Minister

Appropriation Bill (No. 1) 2026

As a result of the examination of the Estimates of the Minister for Arts and Heritage by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Monday 8 June 2026**.

DIVISION 8 – DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT TASMANIA

OUTPUT GROUP 6 – HERITAGE

6.1 HISTORIC HERITAGE

1. Please provide a copy of the correspondence sent to Mr Hackett regarding the timelines and scope of the information they require to complete a heritage assessment.

DIVISION 11 – DEPARTMENT OF STATE GROWTH

NO LINE ITEM

QUESTION ON NOTICE

1. Minister, you confirmed your Chief of Staff has seen the email related to the request not to use or wear strong fragrances when appearing at Estimates hearings. Please advise who your Chief of Staff shared that email with.

OUTPUT GROUP 5 – CULTURAL AND TOURISM DEVELOPMENT

5.2 ARTS INDUSTRY DEVELOPMENT

1. The Arts Industry Development budget line for 2026-27 is \$9 million. Can the Minister provide a complete breakdown of this figure, including:
 - the amount allocated to competitive grants;
 - the amount allocated to four-year funded organisations;
 - the amount allocated to the Premier's Arts Prize;
 - the amount allocated to other initiatives including the Tasmanian Strategic Touring Fund; and
 - the quantum of the grant to the Queen Victoria Museum and Art Gallery

5.3 SCREEN INDUSTRY DEVELOPMENT

1. Please provide a copy of the cultural review into Screen Tasmania

Yours sincerely



HON RUTH FORREST MLC
Chair

w. 03 6212 2249 e. jenny.manning@parliament.tas.gov.au

cc matthew.hochman@dpa.gov.au

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



Hon Ruth Forrest MLC
Chair
Legislative Council Committee A
By Email: jenny.mannering@parliament.tas.gov.au

APPROPRIATION BILL (No. 1) 2026

Dear Ms Forrest

Please find attached the following responses to questions raised in the examination of the Arts and Heritage portfolio.

I trust this information is of assistance to the Committee.

Division 8 – Department of Natural Resources and Environment

Output Group 6 – Heritage

Output 6.1 – Historic Heritage

Question 6.1.1:

Please provide a copy of the correspondence sent to Mr Hackett regarding the timelines and scope of the information they require to complete a heritage assessment.

Answer:

Copies of both the letters are attached.

Division 11 – Department of State Growth

NO LINE ITEM

1. Minister, you confirmed your Chief-of-Staff has seen the email related to the request not to use or wear strong fragrances when appearing at Estimates hearings. Please advise who your Chief-of-Staff shared that email with.

Answer:

My Chief of Staff was copied in on a response to the Committee Secretary's correspondence and did not share it with media. Reference is made to the Premier's letter to the Committee Chair of 11 June 2026.

Output Group 5 – Cultural and Tourism Development

Output - 5.2 Arts Industry Development

Question 5.2.1

- The Arts Industry Development budget line for 2026-27 is \$9 million. Can the Minister provide a complete breakdown of this figure, including:
 - the amount allocated to competitive grants;
 - the amount allocated to four-year funded organisations;
 - the amount allocated to the Premier's Arts Prize;
 - the amount allocated to other initiatives including the Tasmanian Strategic Touring Fund;
 - the quantum of the grant to the Queen Victoria Museum and Art Gallery.

Answer:

- **Amount allocated to competitive grants:**
Arts and Cultural Heritage Investment will remain at \$4,465,000 in 2026-27, then rise by \$1 million in 2027-28, \$1.5 million in 2028-29 and \$2.5 million in 2029-30. This line includes multi-year support and all competitive Arts Tasmania grants except for Youth Arts Grants (total \$360,000).
- **Amount allocated to four-year funded organisations:**
In 2026-27, \$2,175,072 will be provided to multi-year arts organisations.

- **Amount allocated to the Premier's Arts Prize:**

The Tasmanian Literary Awards will continue to receive \$130,000 biennially (2026-27 and 2028-29).

- **Amount allocated to other initiatives including the Tasmanian Strategic Touring Fund:**

The Tasmanian Strategic Touring Fund has received \$525,000 since 2022, and the Department will consider any future funding request. Other arts initiatives are developed in response to sector issues as they arise.

- **Quantum of the grant to the Queen Victoria Museum and Art Gallery:**

QVMAG will continue to receive funding, however the exact amount is not known due to its indexation against Hobart CPI as required by the Head Deed of 1999.

Output - 5.3 Screen Industry Development

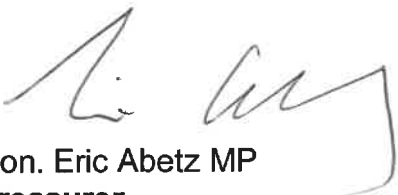
Question 5.3.1:

Please provide a copy of the cultural review into Screen Tasmania.

Answer:

The Screen Tasmania Cultural Review is a confidential, departmental workforce matter and is for departmental purposes only.

Yours Sincerely



Hon. Eric Abetz MP
Treasurer

Attachments

1. Letter dated 2 March 2026 (with attachment) from the General Manager, Heritage to Daniel Hackett
2. Letter dated 7 May 2026 from the General Manager, Heritage to Daniel Hackett

Mr Daniel Hackett
By email: info@riverfly.com.au

Dear Mr Hackett

Request for condition report – Halls Hut THR ID#10805

I am writing in relation to your email of 5 March 2026 to the Tasmanian Heritage Council acknowledging the letter I sent on its behalf dated 2 March 2026.

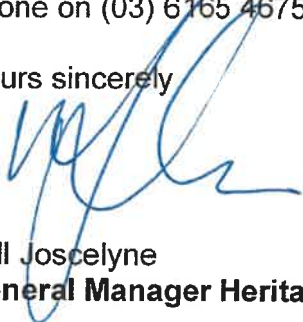
I note in your acknowledgement you advised that you would be visiting the site prior to the end of April 2026. I also note you gave an undertaking in December 2024 and again in March 2025 to Heritage Tasmania that you would inspect and assess the condition of the Hut. You have had the required certification of Exemption #5060, authorising the necessary condition assessment activity to inform your report, since September 2022.

Given the elapsed time since your last undertaking on 31 March 2025, and the additional time given during summer and autumn 2026, I request you provide the condition report by 15 June 2026.

If you do not provide the condition report as requested, the Heritage Council will consider all options available to it under the *Historic Cultural Heritage Act 1995* to ensure the historic cultural heritage significance of the place is maintained.

If you require further information regarding the required heritage assessment and works, please contact Melissa Ford, Director Heritage Tasmania. Ms Ford can be contacted by phone on (03) 6165 4675 or by email at melissa.ford@heritage.tas.gov.au.

Yours sincerely



Will Joscelyne
General Manager Heritage

7 May 2026

2 March 2026

Mr Daniel Hackett
By email: info@riverfly.com.au

Dear Mr Hackett

Request for condition report – Halls Hut THR ID#10805

The Tasmanian Heritage Council has received correspondence raising concerns that the condition of Halls Hut, listed on the Tasmanian Heritage Register, has deteriorated since it was listed. Under section 60 of the *Historic Cultural Heritage Act 1995* (the Act), the Heritage Council may serve a notice on the owner of a registered place (including lessee who has an interest in property) who by any intentional act or omission is likely to affect the historic cultural heritage significance of the place.

Accordingly, it is requested that you undertake a site inspection and provide a condition report within 30 days of the date of this letter. Under the Certificate of Exemption issued by the Heritage Council on 1 September 2022, you are authorised to undertake a preliminary site investigation only, with the findings to be discussed with Heritage Tasmania and Tasmania Parks and Wildlife Service (PWS) to inform future conservation management actions.

In addition to the approved works, you have also enquired about supporting photographic records. In April 2025, Heritage Tasmania requested that you take a photo recording of the entire hut condition at high resolution, with images to include:

- External - all building sides, elevations, corner aspects and details of concern or interest e.g. base plate/log decay, flashings and roof drainage.
- Internal – wide angles of all internal walls, corners and details including floor, tar-paper and roof lining.
- Photos of sub-floor structure on removal of floorboards.
- Wider external images showing current vegetation and surrounds.

Please reply within seven days of the date acknowledging your receipt of this request. Heritage Tasmania is aware of previous concerns regarding the mode of access to the site you may require. In this regard, the Department of Natural Resources and Environment Tasmania understands helicopter access would be authorised by PWS for the purpose of the required activities. However, given the preliminary nature of the investigation and minor nature of works, it is not considered helicopter access is the only practical way of accessing the site and should not be relied upon as a reason for delaying undertaking the requested investigation and works.

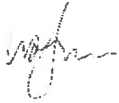
If you wish to access the site by air, please contact Tory Ross, Director Tourism, Experience and Visitor Services, PWS on 0410508758 or by email Tory.Ross@parks.tas.gov.au.

Protecting Tasmania's Historic Environment

GPO Box 618, Hobart, TAS 7001 Australia
Ph 6165 3700 | 1300 850 332 (Tasmanian calls only)
Email enquiries@heritage.tas.gov.au | Web www.heritage.tas.gov.au

If you require further information regarding the required heritage assessment and works, please contact Melissa Ford, Director Heritage Tasmania on (03) 6165 4675 or by email melissa.ford@heritage.tas.gov.au.

Yours sincerely



Will Joscelyne
General Manager, Heritage

Encl Certificate of Exemption #5060 dated 1 September 2022

Protecting Tasmania's Historic Environment

GPO Box 618, Hobart, TAS 7001 Australia

Ph 6165 3700 | 1300 850 332 (Tasmanian calls only)

Email enquiries@heritage.tas.gov.au | Web www.heritage.tas.gov.au



PLANNING REF: N/A
EXEMPTION NO: #5060
REGISTERED PLACE NO: #10805
FILE NO: 15-21-58 THC
APPLICANT: Daniel Hackett
DATE: 1 September 2022

CERTIFICATE OF EXEMPTION

(*Historic Cultural Heritage Act 1995*)

The Place: Halls Hut, Halls Island, Walls of Jerusalem National Park

Thank you for your application for a Certificate of Exemption for works to the above place. Your application has been approved by the Heritage Council under section 42(3)(a) of the *Historic Cultural Heritage Act 1995* for the following works:

Works: Preliminary site investigation:

- (i) Remove existing timber flooring to identify the hut's sub-floor structure to inform future renewal. Boards to be numbered and returned to original positions.
- (ii) Remove a small nom. 150 x 150mm sample of tar-paper sarking for analysis to inform future replacement.
- (iii) Investigate adjacent vegetation, including an established Yellow Gum for threat to the adjacent hut building, and suitability for building repairs, and documentation of shrubbery encroaching on the hut and associated herb garden.

The findings of the preliminary site investigation to be discussed with Heritage Tasmania and Parks and Wildlife Service to inform future conservation management actions.

Documents: Exemption Certificate Application received 26/08/2022 from Daniel Hackett.

Comments: The proposed works are generally consistent with that which Section 3.4 of the Tasmanian Heritage Council's *Works Guidelines* describes as being eligible for a Certificate of Exemption.

A copy of this certificate will be forwarded to the local planning authority for their information. Please note, this Certificate of Exemption is an approval under the *Historic Cultural Heritage Act 1995* only. This certificate is not an approval under any other Act. Further approvals such as planning, building or plumbing may be required. For information regarding these or any other approval, contact your local Council.

Information on the types of work that may be eligible for a Certificate of Exemption is available in the Tasmanian Heritage Council's *Works Guidelines for Historic Heritage Places* (Nov. 2015). The Works Guidelines can be downloaded from www.heritage.tas.gov.au

Please contact the undersigned on 1300 850 332 if you require further information.

A handwritten signature in black ink, appearing to be 'Chris Bonner', with a stylized flourish at the end.

Chris Bonner

Regional Heritage Advisor – Heritage Tasmania

Under delegation of the Tasmanian Heritage Council



Legislative Council Select Committee
ESTIMATES A

4 June 2026

The Hon Eric Abetz MP
Minister for Environment
10th Floor, Executive Building
15 Murray Street
HOBART 7000

Email: eric.abetz@dpac.tas.gov.au

Dear Minister

Appropriation Bill (No. 1) 2026

As a result of the examination of the Estimates of the Minister for Environment by the Legislative Council Select Committee Estimates A, the Committee requests that the following information be provided to the Committee Secretary, Jenny Mannering by no later than close of business on **Wednesday 10 June 2026**.

DIVISION 3 – ENVIRONMENT PROTECTION AUTHORITY

Output Group 1 – Environment Protection Authority

1.1 Environmental Regulation

1. Please detail the treatment methods for heavily contaminated materials on the Macquarie Point site that pose a human health risk. How will the soil be excavated, treated and stored on site. For material that needs to be removed from site, what is the process for this and how will the risk to public health be mitigated?

DIVISION 8 – DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT TASMANIA

Output Group 7 – Environment

7.1 Environmental Management

1. Please provide a breakdown of the line item.
2. Does NRE monitor PCBs within effluent that is dispersed into the environment, or is this dispersal and policy relating to dispersal of effluent into the environment the responsibility of the EPA only?

7.4 Threatened Species

1. How much funding is allocated in this financial year to orange bellied parrot monitoring and tracing.

DIVISION 11 – DEPARTMENT OF STATE GROWTH

Output Group 7 – Renewables, Climate and Future Industries Tasmania

7.2 Climate Change

1. Please provide a detailed breakdown of expenditure claimed by the Minister during Estimates on climate mitigation and adaptation.
2. Why hasn't the Government committed to implementing any recommendations of the Climate Change (State Action) Act. Please provide the full response to this that was referred to during the hearing.

Yours sincerely



HON RUTH FORREST MLC
Chair

w. 03 6212 2249 e. jenny.mannering@parliament.tas.gov.au

cc matthew.hochmam@dpac.tas.gov.au

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



Hon Ruth Forrest MLC
Chair
Legislative Council Select Committee Estimates A
jenny.mannering@parliament.tas.gov.au

APPROPRIATION BILL (No. 1) 2026

Dear Ms Forrest

Please find attached the following responses to questions raised in the examination of the Environment portfolio.

I trust this information is of assistance to the Committee.

Division 3 – Environment Protection Authority

1.1 Environmental Regulation

1. Please detail the treatment methods for heavily contaminated materials on the Macquarie Point site that pose a human health risk. How will the soil be excavated, treated and stored on site? For material that needs to be removed from site, what is the process for this and how will the risk to public health be mitigated?

Answer:

The Macquarie Point land that is subject to the State Policies and Projects (Macquarie Point Precinct) Order 2025 has been undergoing remediation for over a decade under the supervision of a Contaminated Land Auditor in accordance with the Macquarie Point Development Corporation Act 2012. During the remediation process the soils on the site are assessed for contamination, classified by risk and a contamination specific remediation strategy employed to reduce or eliminate the human health and environmental risks associated with a given volume of soil. The treated soil then undergoes validation to endure the remediation was successful. Depending on the requirements of the development, the remediated soil may then be re-used on site or disposed of to an appropriately licensed facility.

Remediation works on the site occur under a Contaminated Land Auditor endorsed Site Environmental Management Plan (SEMP). The SEMP details the nature and extent of contamination on the site, the associated human health risks, and appropriate risk controls for each part of the remediation process (Excavation, Storage, Treatment, Reuse/Removal). The measures described below are summarised from the current Auditor approved SEMP for the site.

Remediation Process

Excavation:

Excavated soils must be inspected during excavation, assessed for contamination and classified using laboratory testing results.

Storage:

Stockpiled soils must be managed to prevent loss via dust or stormwater runoff. This may be achieved through measures such as stockpiling on hardstand or plastic sheeting, wetting down to prevent dust generation, covering, sediment control or encapsulation within skip bins or drums.

Treatment:

Some contaminated soils may be suitable for treatment on-site with a view to reuse these on site, however the suitability of treatment and reuse on site is dependent upon a number of factors, including the nature of the contamination, concentrations of contaminants, volumes of soil to be treated, the types of soil to be remediated, and the availability of suitably-effective treatment methodologies.

Whether or not these treatments are undertaken on site, or soils are taken off site for treatment and/or disposal, is dependent on the factors associated with the contaminated soils themselves as described above, and also whether there are adequate locations on site for treatment to be undertaken. Factors that must be considered for suitable treatment locations include site topography, local geology and hydrogeology, meteorology, area of land available for treatment, time and cost factors, and distances to nearby sensitive receptors (including residential areas). At all times, these activities, whether undertaken on site or off site, must be compliant with the general environmental duty requirements of the *Environmental Management and Pollution Control Act 1994* and associated requirements such as the Environment Protection Policy (Air Quality) 2004, and it may be necessary to implement controls on dust, odours, volatile emissions, leachate and stormwater to ensure compliance.

Removal:

Prior to removal from site, materials are first classified by comparing laboratory test results against the EPA's guideline Information Bulletin 105: Classification and Management of Contaminated Soil for Disposal. Once classified, an appropriate disposal pathway is identified. Transport and disposal of contaminated soil in Tasmania is regulated by EPA

under the *Environmental Management and Pollution Control Act 1994* and the *Environmental Management and Pollution Control (Waste Management) Regulations 2020*.

Division 8 – Department of Natural Resources and Environment Tasmania

OUTPUT GROUP 7 – ENVIRONMENT

7.1 Environmental Management

1. Please provide a breakdown of the line item.

Answer:

The below table provides the 2026-27 financial year breakdown of the Output 7.1 environmental management line item.

Revenue from Appropriation (table 8.2, p166)	2026-27 \$'000
Operational Funding	1,337
Container Refund Scheme	26
Circular Economy	3,023
Marine Environment Tasmania Act	500
	4,886

2. Does NRE monitor PCBs within effluent that is dispersed into the environment, or is this dispersal and policy relating to dispersal of effluent into the environment the responsibility of the EPA only?

Answer:

The Department of Natural Resources and Environment Tasmania (NRE Tas) does not monitor Polychlorinated Biphenyls (PCBs) within effluent that is dispersed into the environment. The role of NRE Tas in regard to the *Environmental Management and Pollution Control Act 1994* (EMPCA) is to support the Minister for Environment and Climate Change in policy, regulation and standards development and to undertake planning and provision of conservation advice.

The Environment Protection Authority Tasmania (EPA) is Tasmania's principal regulator of potentially polluting activities. Its role is to ensure that activities do not have an unacceptable impact on the environment or the community and to ensure that measures are taken to protect, restore and enhance the quality of the environment.

The EPA has advised that:

- In relation to effluent, it regulates TasWater's 77 larger Level 2 wastewater treatment plants (WWTPs), while Tasmanian councils regulate TasWater's 33 smaller WWTPs.

- TasWater does not discharge effluent from its treatment plants directly to land. Effluent is either sent for reuse or to disposal via an outfall. On rare occasions, liquid sludge from rural treatment lagoons is applied directly to farmland following testing. Treatment lagoons serving rural townships generally are not a known source of contaminants such as per- and polyfluoroalkyl substances (PFAS) or PCBs.
- Routine PCB testing of effluent is not required. Biosolids must be tested for expected contaminants in accordance with Information Bulletin 105.
- It is satisfied that PCBs in effluent do not require on going monitoring in Tasmania.

7.4 Threatened Species

1. How much funding is allocated in this financial year to orange bellied parrot monitoring and tracing?

Answer:

In the 2025-26 financial year the Orange bellied parrot (OBP) Program had a budget of \$1,934,095. This included the budget of staff and operational expenses of \$1,418,095, plus the residual funds for the OBP Tracking Project and OBP captive facility upgrades at Five Mile Beach of \$516,000.

The OBP Program was also successful in obtaining two Australian Government funded grants: one to identify and mitigate threats to the OBP in the wild; and another to extend biosecurity provisions at the Five Mile Beach facility totalling \$298,000.

Additional in-kind support is provided to the OBP Program to support the captive and field-based elements of the program from across NRE Tas and from recovery team partners.

Output Group 7 – Renewables, Climate and Future Industries Tasmania

7.2 Climate Change

1. Please provide a detailed breakdown of expenditure claimed by the Minister during Estimates on climate mitigation and adaptation.

Answer:

The document provided at Attachment 1 ('Summary of funding for existing climate change commitments across government in Tasmania's climate change action plan') was tabled during the Estimates Committee hearing on 2 June 2026. It includes the detailed breakdown of expenditure on climate change mitigation and adaptation across the Tasmanian Government referred to in the question. This list was compiled when the action plan was released in 2023. It does not reflect newly funded commitments in Tasmania's Climate Change Action Plan 2023-25 or in the six sector-based emissions reduction and resilience plans released in 2024.

2. Why hasn't the government committed to implementing any recommendations of the [2024-25 Independent review of the] *Climate Change (State Action) Act 2008*? Please provide the full response to this that was referred to during the hearing.

Answer:

The 2024-25 Independent review of the *Climate Change (State Action) Act 2008* (the Act) (the Review), completed by independent consultants Ricardo and Era Advisory, found that “the Act provides a strong foundation for climate action”, while opportunities for improvement were also identified. The Review made seven recommendations.

This government’s priority is to continue delivering strong climate change outcomes for Tasmania. We are committed to embedding the independent review’s findings and recommendations in our work.

The government has already identified a range of opportunities and actions in response to the Review, including the following commitments made on 25 March 2026:

- Strengthening climate governance by reviewing and refreshing the Climate Change Reference Group, updating its Terms of Reference, and increasing transparency through more public reporting of meetings.
- Maintaining the existing four-year independent review cycle for the Act to ensure regular oversight and accountability.
- Enhancing consideration of climate adaptation and resilience through current policies and programs, and elevating adaptation priorities in the next five-year climate action plan and sector-based emissions reduction and resilience plans.
- Improving sectoral emissions oversight by continuing to implement sector-based actions and reporting and considering updated technical and economic analysis to identify new emissions reduction opportunities.
- Embedding climate considerations in major government decisions by progressing the Government Climate Capability Framework, the government operations sector plan, and actions addressing the findings of the first statewide climate change risk assessment.
- Improving consultation processes and ensuring broader, more inclusive, ongoing participation across stakeholder groups.
- Improving climate communications and transparency through an updated communications and engagement strategy and developing a standalone website for climate information.

The government is continuing to deliver ongoing and longer-term actions in the climate change action plan, along with those in the six sector-based emissions reduction and resilience plans, and the government’s response to the first statewide climate change risk

assessment, released in late 2024. In line with the Act, the government will also continue reporting on its climate change actions, the state's greenhouse gas emissions, and progress on our legislated net zero target.

This government is committed to ongoing engagement with our stakeholders to ensure Tasmania's climate change response remains practical, evidence based and aligned with our legislated objectives.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Eric Abetz', written in a cursive style.

Hon Eric Abetz MP
Treasurer



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Eric Abetz MP

Monday 1 June 2026

MEMBERS

Hon Ruth Forrest MLC (Chair)

Hon Clare Gade-Wright MLC

Hon Sarah Lovell

Hon Cassy O'Connor MLC

Hon Bec Thomas MLC

OTHER PARTICIPATING MEMBERS

IN ATTENDANCE

HON. ERIC ABETZ MP

Treasurer, Minister for Macquarie Point Urban Renewal.

Treasury

Ministerial Staff

Matt Hochman

Chief of Staff

Jon Gourlay

Senior Adviser

Megan Hickey

Senior Adviser

John Wise

Senior Adviser

Department of Treasury and Finance

Gary Swain

Secretary

James Craigie

Deputy Secretary, Budget and Finance

Dean Burgess

Deputy Secretary, Economic and Financial Policy

Jonathon Root

Deputy Secretary, Revenue and Regulatory Services (where required)

Abigail Shelley

Deputy Secretary, Corporate and Governance (where required)

Eleanor Patterson
Director, Budget Management Branch

James McAvoy
Acting Director Government Finance and Accounting

Angelo Pavlides
Director Liquor and Gaming

Kate Patmore
Assistant Director, Office of the Secretary

Audit Office

Martin Thompson
Auditor-General

Jonathan Wassel
Deputy Auditor General

Janelle Tamlyn
Director, Corporate Support and Strategy

Macquarie Point Development Corporation

Anne Beach
Chief Executive Officer

Sam Wilson-Haffenden
Project Director Multipurpose Stadium

Matt Healey
Deputy Secretary, Strategy and Delivery - DPaC

James Avery
Chief Executive Officer - Stadiums Tasmania

Katherine Morgan-Wicks
Secretary, DPaC (possible attendee)

(in the room)

Mathew Hochman
Ministerial - Chief of Staff

Jon Gourlay

Ministerial - Adviser

Kath Colley

Senior Project Officer, Strategy and Delivery DPaC

Greg Cooper

Chief Operating/Company Secretary - DPaC

Grace Johnson

Principal Strategy, Project and Policy Officer - MPDC

The Committee commenced at 9.00 a.m.

CHAIR - Welcome, Treasurer, to the first day of budget Estimates. I know you have a long couple of days with us, and we appreciate you will be at the table for a long-extended period, as will we. I invite you to introduce the members of your team at the Table for the purposes of *Hansard* and then I expect you'd like to make some brief introductory comments about the Budget and your portfolios.

Mr ABETZ - As I understand it, the vast majority of the Legislative Council members were there at the Budget speech, so we've sort of put our press releases, et cetera. Whether I need to repeat that which I said on 21 May chances are not, so I will leave that all as said on that occasion. To my left, Gary Swain, the secretary of the department, James Craigie, deputy secretary, Budget and Finance, and Dean Burgess, deputy secretary, Economic and Financial Policy, and with that let's get into questions.

Output Group 1 - Financial and Resource Management Services

CHAIR - I'm going to move into Group 1.1, Budget Management and Financial Policy in the Treasury and Finance portfolio. Just setting aside individual line items at this point, can you outline or point to any budget in recent history where savings of this scale and ambiguity with no detail about how they will be achieved have actually been delivered? Can you tell me where it's happened in the past?

Mr ABETZ - No, I'm not able to point to where it's happened in the past. We have made no apologies for saying it's a tough budget. It is an ambitious budget, and it will be not easy to live up to, but it is possible and that is our intention as a government.

CHAIR - Treasurer, do you then acknowledge there are lots of holes or gaps in this Budget, including the Human Resources Transformation Program? HRIS, in its former life. The Tasmanian Risk Management Fund shortfall, sensitivity discrepancies, non-salary indexation below CPI and a heavy reliance on conveyancing duty in a softening market. How do you accept this as a credible path when all those things are missing from the Budget?

Mr ABETZ - Just one of the items you mentioned was a softening real estate market, yet I think today's *Mercury* had on its front page, if I recall correctly, that we are hitting the highest prices ever and that real estate prices are still booming in Hobart. Good, bad or indifferent as that may be-

Ms O'CONNOR - Terrible news for young people.

Mr ABETZ - but in relation to the stamp duty element, that would suggest that the estimates within the Budget might be appropriate in relation to that income.

CHAIR - Is that the same in the out-years? Because you have federal government changes that could certainly dampen the market. We know that your own risk and sensitivity chapter in the Budget makes it really clear it's very volatile.

Mr ABETZ - It is volatile and that is why it is vital that we get the budget into a situation where it's sustainable. That is why the deficit spending of the past, for a number of reasons that

has to be wound back, and we now have to get back to a sustainable budget again because of all the potential risks we face.

CHAIR - What about the other gaps that are there - if you say you can hold up the conveyancing duty - that will remain to be seen?

Mr ABETZ - There are the challenges -

CHAIR - They're gaps; it is money that's not there that is needed.

Mr ABETZ - In the past as I understand it and, secretary, you may wish to add here, but as I understand it, with the wage increases in the past that has been budgeted at 2.5.

CHAIR - Hence the problem that we've had, yes.

Mr ABETZ - And that will then be implied savings for the departments to make up.

CHAIR - Because of that 2.5 per cent assumption the departments are going, or the agencies are going, to have to find at least 0.5 per cent savings within their current budget.

Mr ABETZ - Yes, departments have to live within their means and that has not necessarily been happening as it could or should have been in the past. That is what we are trying to get the balance to do. Secretary, did you just want to add something there?

Mr SWAIN - I was just going to say that's been a feature of the budget for a number of years, the 2.5 per cent and part of the thinking behind that is that there's always a turnover in departments, so you never actually have your full establishment. When I started in Treasury, for example, the turnover was about 15 to 17 per cent. Now it's about 11 per cent, so I think there's a basis for that assumption varying from the actual cost, but then that can't be double-counted, obviously, you have to then factor that into the way departments are managed. You can't bank a big salary saving as well as an additional saving for your operational approach.

CHAIR - But, Treasurer, the latest wage agreements that have been signed off and agreed are 3 per cent and so already you've got a 0.5 per cent gap. Has that been modelled as to how many extra staff that might relate to?

Mr ABETZ - I'm not sure whether each department has done that within their own area.

CHAIR - Has Treasury done it? Surely when you're preparing a budget it would look at what the task would be here.

Mr SWAIN - Through you, Treasurer. No, we haven't explicitly modelled that, other than, obviously, we've looked at that for Treasury in terms of managing Treasury and factored in what we think the salary savings will be in relation to decisions around employment. So, every agency should be doing that.

CHAIR - If we ask every agency then, they'll be able to tell us what sort of impact a 0.5 gap would have in numbers of staff they may need to find - or cuts they need to make in addition to the operational efficiency that's imposed in the Budget. Is that correct?

Mr ABETZ - Yes, look, as the secretary said no department has a full complement at all times, so there's that element in relation to wages and, of course, I think the Premier at another hearing is indicating about the rightsizing of the public service, so there will be a reduction in the FTEs in the various departments as well.

CHAIR - Treasurer, this has been a matter I've raised many years: we know that wage indexation has run around 3 per cent in Tasmania; as you've said, it's 2.5 per cent, it has been before, but that's added to the problem that we've seen in budgets not being able to be met. Now you're asking all the departments and agencies to actually cut an extra 0.5 per cent to make their budget - their operational efficiencies work.

Mr ABETZ - It's not exactly the 0.5, as the secretary explained -

CHAIR - No, but it's still a significant number in a big department.

Mr ABETZ - because you don't have a full complement of staff at all times and we will be rightsizing that. Nevertheless, the point is there, and our departments and agencies do need to live within their means.

CHAIR - What about the funding that we know you're going to need for the human resources information system, now transformation project, I think it's called. What about that? That's not in there - in the out years, it is this year, but not in the out years.

Mr SWAIN - No - Treasurer, through you, it's not funded beyond what's in the current DPAC chapter, so there will have to be, as I understand it, an additional budget bid, which will come through in the 2027-28 Budget, but I'm informed largely by the Auditor-General's recent report.

CHAIR - The Tas Risk Management Fund shortfall, that'll also have to be found from within the agencies? Because you have the \$183 million that was put in last year in November, it's a \$74.7 million shortfall, I'm pretty sure in Tas Risk Management Fund, that'll have to be absorbed by - well the agencies will have to top that up and add it to their requirements?

Mr SWAIN - That's a slightly more complicated question. The assets of the TRMF are now below the liabilities of the TRMF. That's a problem that does need to be addressed, but over time, so it's not an immediate problem in terms of what's being paid out. It's, the TRMF can't - that imbalance can't be allowed to grow too much, it'll have to be dealt with in the next two or three years. There's a couple of different ways it can be dealt with. One is through agencies or one is through an equity injection as happened in the last Budget as I think you're alluding to.

CHAIR - So, there are a number of identified gaps, okay? So, you say we're going to get into a surplus in 2028-29, if these figures have to be added in, surely that's not feasible because we know they're going to have to be added in somewhere other.

Mr ABETZ - Well, there are savings -

CHAIR - But they're factored in across the forward Estimates, they're already there, baked in.

Mr ABETZ - Yes, and departments will have to live within their means.

CHAIR - But you've missed money out. You've missed significant amounts of expenditure that are going to have to come in those out years that will make it almost impossible to reach a surplus as you've predicted.

Mr ABETZ - With respect, it is possible if the departments and agencies do live within their means and that is what they need to do.

CHAIR - But you're missing the point, Treasurer. The amount of money that we've just talked about - about \$120 million I could roughly look at just in some of these obvious gaps alone, I mean, if you have to add that in, as well as the issues with the CPI, with the non-salary costs as well, surely it becomes an impossible task.

Mr ABETZ - Well, that's the task for the various agencies and ministers.

Mr SWAIN - Through you Treasurer, there is no doubt that the forward Estimates are very ambitious, but what they reflect is what is required in order to get the budget back into a better shape.

CHAIR - But, what your fiscal sustainability report said was required was a longer timeframe. Three years was not one of the options. Five years was without causing too much harm. This is the report that obviously Mr Swain prepared. It said you needed to pull all three levers, not one. You're trying to deal with one lever and think you can do it in three years, so tell me how?

Mr ABETZ - No, you are asserting that only one lever, there are three levers I would have thought and that is reduce expenditure -

CHAIR - Which you're doing.

Mr ABETZ - grow the pie, which we are seeking to do as well, and increase revenue.

Ms O'CONNOR - You haven't done anything to increase revenue.

CHAIR - No.

Mr ABETZ - And we have indicated that we went to the last election no new taxes and we are sticking with that -

Ms O'CONNOR - That's foolish.

Mr ABETZ - and, if you want to see how it goes for governments when they promise such a thing then don't deliver, just look to Canberra.

CHAIR - Well, let's look at the government's fail-

Ms O'CONNOR - Well, you also promised \$375 million on a stadium, not one red cent more, so you know.

CHAIR - So there have been a lot of broken promises.

Mr ABETZ - No, allow me to correct that.

Ms O'CONNOR - Well, that's a 2024 state election promise.

Mr ABETZ - \$375 million, it was in the business case, 375 upfront injection with the balance to be borrowed, which is always conveniently not mentioned. The 375 is the initial capital injection and then the balance to be borrowed, and that has been consistent.

Ms O'CONNOR - It's still a promise.

CHAIR - Sorry. I've got a couple and I'll come to the others on this point, but you also, sorry -

Mr ABETZ - Secretary did you have any -

Mr SWAIN - Did you want my comments on revenue?

Mr ABETZ - Yes.

Mr SWAIN - So, there's certainly downside risk in the Budget on the expense side. There's no doubt about that and that's acknowledged in the risk section.

CHAIR - Quite extensively.

Mr SWAIN - Yes. There's also some upside revenue opportunity in the Budget. The GST outlook from the Commonwealth government that came out just recently is not reflected in the Budget. There was quite a lot of discussion in the formation of the Budget around fees and charges, and where that got to was, there wasn't sufficient certainty around fees and charges to examine putting that in the Budget, but we are still doing a fees and charges review, which will be in line with the current policy position that it's cost recovery.

CHAIR - Which may add an extra \$3 million from what I read in the budget papers.

MR SWAIN - Well, fees and charges are about \$150 million.

CHAIR - Yes, \$3 million extra.

MR SWAIN - Well, I think it could be more than that, but no, it's not hundreds of millions. It might be tens of millions. The other one I was going to mention, which is systemic, is the capital payments from the Commonwealth, which come in as revenue, are always a little understated in the budget because they come in year by year, which is why the budget papers have a revenue growth of about 4.4 per cent where actual revenue growth is higher than that, pushing towards 6 per cent. It's certainly true that there is significant downside risk in the Budget, but there is also some upside opportunity on the revenue side.

CHAIR - Treasurer, you said you can grow the pie, I think the 2021 fiscal sustainability report and the most recent one this year both said, you can't grow your way out of this.

Mr ABETZ - No, in isolation we cannot grow ourselves out of it, but it doesn't mean that it is not part of the answer. It is part of the answer and we are pursuing it.

CHAIR - So when, one moment - sorry I'll come to you, Cassy and others have questions on this - you and the secretary said, Treasurer, that you don't have budget for - you know, establishment is not the full - how do you then, if that's - I always understood it was budgeted for, fully staffed. You were saying that's not the case? Can you clarify what you were saying in that?

Mr SWAIN - It's different agency by agency, but what, for example, Treasury has traditionally done is keep its predicted salary level, or its headcount, at a level that overspends a little bit against your budget, but on the basis that you know you will have turnover in staff and vacant positions for a period of time, because you've got 10 per cent vacancy. You might budget at the beginning of the year to be slightly over your expense allowance, but in reality you will end up a bit under it because of the turnover. So, that approach -

CHAIR - Do you fund to establishment or do you fund below establishment? That's the question.

Mr SWAIN - You fund to establishment and you can make a decision as an agency whether you want to be slightly over or under your expense line in your budget, but in doing that you have to take into account other savings measures that are in your budget and the turnover rate. If the turnover rate is 15 per cent, you might take a slightly more aggressive approach and go, we will plan to be a little bit more over budget because we know we're going to land this side, and if the turnover rate line now is coming down, you will be a bit more conservative, and you might be just over the expense line, but you will still largely come under.

CHAIR - Does Health fund to - how do they work?

Mr SWAIN - It's different agency by agency. It's a matter for their executive and the approach they take to their own internal budget management. It wouldn't surprise you to hear that Treasury takes a pretty conservative approach.

Ms O'CONNOR - Thank you, Chair. Treasurer, by our calculation, at least \$750,000 of public money has been used to pay legal fees for members of your government. As Treasurer, are you absolutely confident that all of that money is being paid out appropriately and with appropriate probity?

Mr ABETZ - Yes. As I understand, some of those decisions were made before I became Treasurer -

Ms O'CONNOR - That's right.

Mr ABETZ - and so when those decisions are made, I assume that they are made according to the protocols that are in place. I understand those protocols have been in place for some 20 years and indeed, whilst you were a minister, in fact, they were in place, and we -

Ms O'CONNOR - I never tapped the public account for my legal fees because I didn't need to.

Mr ABETZ - Good on you. You didn't live dangerously, in that case.

Ms O'CONNOR - Oh, I did.

CHAIR - I reckon she did.

Mr ABETZ - That aside, there is nothing that I know that suggests to me that the protocols haven't been followed.

Ms O'CONNOR - Can I ask, because it's unclear to me: when there is a decision made by Cabinet to approve the legal fees for a member of government, does that come out of any particular account, or is it out of the public account?

Mr ABETZ - Good question.

Mr CRAIGIE - It would be out of the public account, ultimately.

Ms O'CONNOR - He hasn't got a microphone down there. We might need to -

Mr ABETZ - Give him Cassy's.

Mr CRAIGIE - I don't know for certainty, but I would imagine it would be paid for by the relevant agency. That could be Ministerial and Parliamentary Services (MPS) or it could be DPAC, or - it would ultimately come from the public account.

Ms O'CONNOR - Through you, Treasurer: when you say relevant agency, the agency that relates to the relevant member's portfolio if they're acting in their capacity as a minister of the Crown?

Mr CRAIGIE - That would be my assumption. I don't know the correct answer. You would have to ask the relevant minister how - where their fees were paid from.

Ms O'CONNOR - Okay. Thanks, James. Treasurer, in response to a social media comment yesterday, former minister Ogilvie confirmed that her taxpayer-funded legal fees related specifically to the Supreme Court action that she initiated and initially denied initiating. Can you confirm you're aware of the connection between the legal fees paid by taxpayers and those proceedings?

Mr ABETZ - Look, I am not personally aware.

Ms O'CONNOR - Cabinet has to approve the request to use taxpayer funds to pay for the former minister's legal costs. You must have had some idea that there was a connection between the request for funds and those Supreme Court proceedings; or was that expenditure approved without knowing what it was for?

Mr ABETZ - I would assume that the expenditure at the time was known to my Cabinet colleagues. I wasn't part of that particular one. Being a former lawyer, I know how these things sometimes travel. You might think you can resolve something quickly, and unfortunately it takes a lot longer. Trying to indicate how long a piece of string is, or how long a legal matter will cost, or take, is something I think is always fraught with trying to make predictions.

Ms O'CONNOR - Are you aware of any more - I'm sorry, Sarah, just quickly: are you aware of any further request for legal assistance from former minister Ogilvie for the Supreme Court proceedings which she initiated and initially denied initiating?

Mr ABETZ - I think following through all that question, there is nothing that I can recall. I will check just to see if there is something that may have slipped my mind, but I don't think it has.

Ms O'CONNOR - It's good to hear you being cautious about being honest at the table. That's really good.

Mr ABETZ - I try to the best of my ability, Ms O'Connor -

Ms O'CONNOR - I know you do. I know you do.

Mr ABETZ - and a few times when I have tripped up, be it in the Senate or -

Ms O'CONNOR - You have corrected yourself.

Mr ABETZ - I have come in as soon as I possibly can to clarify or correct the record, because the great thing about parliamentary privilege is that we can use it, and we should use it, but if you use it and then accidentally make an error, you should then clarify it, because that is what upholds the dignity and importance of parliamentary privilege. It's a real privilege.

Ms O'CONNOR - Yes, I think that's the mistake your former Cabinet colleague made.

CHAIR - We won't make comments about other people.

Ms O'CONNOR - Well -

Mr ABETZ - It's a privilege, and if you abuse privileges, then they fall into disrepute.

Ms O'CONNOR - There is a consequence. There is a consequence.

Ms LOVELL - Can I just clarify, Treasurer, just going back to your comments before about the decision being approved by Cabinet: can I just clarify that what you're saying there is that you were not a member of Cabinet when that decision was approved?

Mr ABETZ - Yes. As I understand it, that occurred before -

Ms LOVELL - Prior to you -

Mr ABETZ - my election in, when was it, February, whatever, 2024.

Ms LOVELL - Okay. Thank you.

Mr ABETZ - That's still the best of my recollection, but if that is incorrect and happened whilst I was a member of Cabinet, more than happy to correct the record, but I don't recollect.

Ms LOVELL - Surely you'd remember if you were a member of Cabinet approving that decision?

Mr ABETZ - Often, and Ms O'Connor, she was a member of Cabinet - sometimes there are decisions and you are otherwise engaged, or out the door at a particular time. I wouldn't necessarily say that every Cabinet minister knows everything that happens at Cabinet 100 per cent of the time. It's like sometimes, even in the parliament, I'm sure you're not sitting in the Legislative Council all the time, Ms Lovell, and sometimes something might -

Ms LOVELL - No, but I'm certainly making sure I know what decisions are being made, and particularly decisions that are being made by me. So, anyway, we can move on.

CHAIR - I am just going to go back to the Budget. The Budget identifies large savings across the whole period of the forward Estimates as well, but doesn't actually provide an implementation plan and no redundancy program. Is it the government's position that this level of fiscal consolidation can be achieved without compulsory redundancies, and without a detailed workforce plan that includes specific targets and timing?

Mr ABETZ - Look, the Premier, I think, in another place, is indicating that we will have a voluntary redundancy scheme targeting 500, and so -

CHAIR - Where's the funding for that, Treasurer?

Mr ABETZ - That will be from each individual agency. The costs of that, of course, will be recouped by a lower wages bill.

CHAIR - So, this coming year, you'd have to actually achieve any sort of the level of savings that you're looking at, or that the budget papers seem to contemplate, you would need to have the number that are required to leave, leave on 1 July; then the separation payments, voluntary or involuntary, can be significant, depending on the length of service of those individuals, and the leave liabilities that crystallise at the time. What modelling has been done about how much the redundancy cost is going to be, because that's going to have to be borne by the agency, as well as the savings, which won't show up in this coming year at all, if you're going to pay out separation payments and the other savings they're expected to make.

Mr ABETZ - And look, each individual agency will have to make those management decisions.

CHAIR - Where's the redundancy payments in the Treasury budget?

Mr SWAIN - No, there aren't. Because I mean the starting point at this stage is if each agency or agencies do different versions of programs to seek voluntary redundancies, they won't know who is going to put their hand up or which area they're from.

CHAIR - But surely you can model when, no-one leaves for nothing, except in the parliament. No, when we leave, we leave with nothing, okay. That's not the same for the state servants. We know there's at least a four-week separation payment. It can be up to 48 weeks. There must be some idea with the scale, I think it was 500 staff the Premier said in another place. What would be the rough calculation - back of an envelope - on the cost of redundancies of that?

Mr SWAIN - Yes, but even a back-of-the-envelope is pretty difficult, because you have a band 1 to an SCS 4, a very significant salary range. Somebody who might have been there for six months or somebody who might have been there for 30 years. You could come up with a number, but I'm not sure it would be particularly -

CHAIR - But surely the Budget's lacking a substantial number here by not putting anything in. Isn't it misleading to say you can achieve these savings, particularly this year, this coming year, for the Budget delivering for while we're here, without including some provision for redundancy costs, unless they're all going to leave on the 30th of June and then you've made no savings. That's 30th of June next year.

Mr SWAIN - That will all need to be taken into account by the agency. The agency's got to be confident for it to be a redundancy. They've got to have an altered service delivery model, where that position is generally not needed in the long term, which is different from a RIP where you might replace a more senior person with a more junior person. It's going to be a really more granular decision, branch by branch, division by division across agency.

CHAIR - But it's going to cost money. Does the Treasurer acknowledge that this will cost money?

Mr ABETZ - Sorry?

CHAIR - Do you acknowledge that staff separations will cost money?

Mr ABETZ - Well, they usually cost money; there's no doubt about that.

CHAIR - So will they cost money to the 2026-27 Budget?

Mr ABETZ - The Budget was set at a time before the machinery of government changes were announced, if I recall correctly secretary, and say they weren't reflected in the Budget. That's always the difficulty with any budget.

CHAIR - So the Budget's completely false.

Ms O'CONNOR - It's actually a little bit hard to believe the machinery of government changes wouldn't be incorporated into the Budget.

Ms THOMAS - It's another interim budget.

CHAIR - It's another budget that doesn't tell us anything.

Mr ABETZ - The budget is a point in time and, as the secretary indicated, we weren't aware when the budget figures were put in as to what the GST flow might be.

CHAIR - The GST has nothing to do with this. Let's focus on the redundancies.

Mr ABETZ - I was commenting on the assertion that therefore this is sort of like another interim budget. A budget is a point in time, and then things change after that, which you could not have foreknown. Treasury could not have foreknown machinery of government changes Treasury could not have foreknown -

CHAIR - Machinery of government changes are talked about in the Budget; they did know.

Mr ABETZ - changes in the GST flow, so there are going to be changes.

CHAIR - That happens every year.

Mr ABETZ - Thank you very much, my point exactly.

CHAIR - But what I want you to tell me about Treasurer is there's obviously machinery government change that is talked about in the budget papers, so it's not news; it's not news to the secretary and it's not news to you.

Mr SWAIN - It's just the timing. The budget process, I think you would understand, it's not the most flexible process. You you work through all the numbers before the base numbers, only after the numbers are settled can you then do all the calculations that are required, and only after that can the chapters be written. It is a kind of process that by its nature is linear, and the machinery of government change came really after the numbers were settled.

CHAIR - Why wasn't a number put in to capture the redundancy cost? There will be no savings this year, as predicted in the budget papers, if you have to let that many people go. It just means the Budget is completely unachievable.

Mr ABETZ - That might grab you a good headline, Chair-

CHAIR - That's the reality. I'm not after a headline, I'm after reality.

Mr ABETZ - With respect, the Budget is deliverable, is achievable and that is what we're going to work towards.

CHAIR - For 16 budgets, the Liberal government said they're going to have a net operating balance in their forward Estimates at some period. None of them, not one has been achieved. Why is this one different?

Mr ABETZ - Because we have set the pace with this Budget and we are determined to achieve it.

Ms LOVELL - Can you explain how you're going to achieve it given the questions that have been asked about redundancy payments? Lay it out for us, spell out the maths, show it like - you can say you've set the pace - with respect that means not much. Show us the numbers that demonstrate you will achieve what you said you will achieve in your budget this year.

Ms O'CONNOR - You expect it to come out of agencies, don't you?

Mr ABETZ - Yeah, absolutely right. That is the answer.

Ms O'CONNOR - That's a cut.

CHAIR - Cuts on cuts.

Ms LOVELL - Lower than that then, is yes, agencies. Where will they be expected to find that money in addition to the operational facilities?

Mr ABETZ - You will have to ask each and every individual agency.

CHAIR - You just told us Treasury doesn't have a plan for this.

Ms LOVELL - Sorry, Chair, can I just confirm that it would be in addition to the operational efficiencies that have already been identified. As an example, Health: there's \$702 odd million worth of operational efficiencies in that table over the four years. If they make anyone redundant over this period to bring down their numbers, the money for those redundancies will have to be found on top of the \$702 million?

Mr ABETZ - On top of I would imagine or within those figures on the basis of saved salaries from that redundancy.

CHAIR - But you can't say salaries.

Ms LOVELL - That doesn't make sense. Saving salaries would be perhaps an efficiency that they've found - an operational efficiency; you could maybe include that in the \$702 million but how does that then get outweighed by the redundancy payment they might have to make on top of that?

Mr ABETZ - Each individual agency will have to make its own decisions in relation to that.

Ms LOVELL - That's the instruction you've given them or the expectation you make clear to them is -

Mr ABETZ - They run their own agencies. They have a duty, under law in fact, to live within their means. Just because somebody expresses interest in a redundancy does not mean it will be granted to them. Each case will be determined on its merits by the various agency heads.

Ms LOVELL - How will they reduce the size of their workforce without offering redundancies? What other options will they have?

Mr ABETZ - Management of vacancies because there is also in very rough terms about a 10 per cent turnover of people resigning, retiring, et cetera.

Ms LOVELL - So, natural attrition?

Mr ABETZ - Yes, natural attrition is a big factor in this. Then those who may have expressed an expression of interest if somebody next to them may have retired or resigned then you wouldn't be giving that person necessarily a redundancy because they will be needed in the enterprise or agency.

Ms LOVELL - I'm assuming you've got some modelling or some expectation of how many jobs you would expect to lose through natural attrition. What does that tell you? Do you expect there will be enough jobs over there next four years out of the public service through

natural attrition that you won't need to give voluntary redundancies? What modelling do you have on that?

Ms O'CONNOR - Clearly not.

Mr ABETZ - You cannot model things that are so difficult to determine because you have people who, as the secretary said before, might have only been there for six months and might be wanting for whatever reason to get out, and in those circumstances their redundancy payment might be a lot less -

CHAIR - The majority of them won't be in that category.

Mr ABETZ - If I can finish, then there are people who are, let's say, there for 30 years who might be very close to retirement, and a decision may be made by a agency head that it would be better for that person to serve out their time rather than being given a redundancy. I'm not going to put myself in the position of each and every individual agency head, let alone in relation to each and every individual case.

Ms LOVELL - It sounds like a lot of unknowns though around how you're intending to reduce the size of the public service and the impact of that and what might be required on the Budget, which is what we're here to unpack.

Mr SWAIN - I want to give a practical example, having been through that in another life as well as in this role. Often what would happen in practice is that the executive would ask branches to come up with a future work plan. I've literally said this to Treasury that if you're in a branch of 20 and you're looking two years out, you should be thinking about how you would operate with 18 and come up with a new structure that would allow you to operate not just working people harder but doing things differently. Then having done that, you're then in a position to think about that particular role. Does it exist in a new structure? Is that person redeployable or are they somebody who's probably at a stage of their working life where they might be interested in a redundancy. In practice, a lot of it comes down to future workforce planning.

Ms LOVELL - That sounds like a really sensible approach. Has Treasury asked agencies to undertake that piece of work in planning for this Budget and the rightsizing of the public sector?

Mr SWAIN - There have been saving measures in place since 2023.

Ms LOVELL - What I'm saying is if that piece of work has been done, then you should have the type of modelling that we're asking about now.

CHAIR - That's right.

Mr SWAIN - If I could just finish, I was going to say under our arrangements, under the *Financial Management Act*, each accountable authority is responsible for that approach. It's not mandated by Treasury. It's a matter for each of the executives of each department.

CHAIR - Has the modelling been done in Treasury then?

Mr SWAIN - Treasury has worked through what it needs to do to achieve its savings, yes.

CHAIR - Treasury knows how you're going to fund redundancies and that will be absorbed or added to the efficiencies required?

Mr SWAIN - In Treasury's case, I think we will be able to manage this through attrition because we are a relatively small agency and the savings themselves were, in part, reflective of the level of growth in each agency. In Treasury's case, the growth has been very modest. Our savings challenge is not insignificant, but I think we can manage that through attrition largely.

Ms LOVELL - Surely Treasury would have an interest in this work from other agencies. If you're developing a budget that is significantly impacted by the outcome of that workforce planning.

Ms O'CONNOR - It's in the fiscal strategy, a systemic review across agencies.

Ms LOVELL - Have agencies done that future workforce planning you've spoken about? Has Treasury looked at that in putting this Budget together? Or is it being done the other way around?

Mr SWAIN - Through putting the budget process together, agencies were asked to identify savings that has occurred. It is at different levels of maturity in different agencies - some very advanced, some less so, and a lot in between. They have half their savings worked out, but broad ideas on the balance, but more detail to be developed over time. Budget committee will be, with the Treasurer's indulgence, looking to track those savings measures as early as possible in this coming financial year to identify which agencies are on track and which are not. I anticipate that will start in July or August.

Ms THOMAS - Thank you. A jobs freeze was announced in March last year, Treasurer. Since that time, the State Service Workforce Report shows that paid FTE positions increased between December 2024 and December 2025 by about 53 jobs. Despite these jobs freezes being announced and these similar requests being made of agencies, jobs in the State Service actually went up. What is different about the government's approach this time? Why hasn't this work that we're now hearing has been done in Treasury and perhaps asked of other agencies? There's been 12 months since this policy was effectively announced. We've not seen the result that I expect you were hoping for. What's different this time?

Mr ABETZ - The freeze was on non-essential jobs. What you can see - and I don't know if there are any graphs in relation to how the numbers had grown in the public service - as I understand it when that announcement was made about 12 months ago, the rate of increase tapered off substantially. That said, I personally would have liked to have seen better results.

CHAIR - Have you some data you can show us on that?

Mr ABETZ - Not offhand, I don't know

CHAIR - Maybe you can come back to us with that.

Ms THOMAS - Treasurer, what reporting do you receive on the workforce numbers? Is it just the state sector workforce reports or do you receive updates from agencies on a more regular basis?

Mr ABETZ - I get combined once a month.

Ms THOMAS - What does that include?

Mr ABETZ - All the full-time-equivalents, a part-time head count. Those are basic figures.

Ms THOMAS - Does it look at all into the cost across different levels of positions and the proportion of cost of employees across SES and -

Mr ABETZ - Fair question but, no, the figures I get don't go into those sorts of particulars.

Ms THOMAS - Okay. Is that something that you accept or do you think that's something you should perhaps be receiving or requesting?

Mr ABETZ - Headcount is one of the metrics you can use. At the end of the day for me, headcount is important, but it's also the overall budgetary position of the various departments and agencies that is important. You could technically get rid of some juniors in your area on very low salaries and say, right, I've received my rightsizing of headcount but virtually not touched the expenditure of the department, so -

CHAIR - Which is the opposite of the WRIP program.

Ms THOMAS - That's right.

Mr ABETZ - The headcount is one thing but the actual expenditure by the department is another.

Ms THOMAS - Are you aware, Treasurer, how many SES positions currently exist across the State Service and how the number has changed over the past 10 years?

CHAIR - We were asking for some data on that if they can provide it.

Mr SWAIN - Please don't hold me on this, I have a feeling it's 259.

Ms THOMAS - The last number that I received was 266, and that's increased from 183 over the last 10 years. It's a significant increase in the number of SES positions across the State Service, but do you know what the total remuneration cost of SES positions is?

Mr ABETZ - No, I don't. We would have to gather them, I would imagine.

Mr SWAIN - I think that this will come out of the State Service Management Office's questions with the Premier's -

Ms THOMAS - Okay, well I can tell you that I've asked a number of times now on the Notice Paper in the Legislative Council and it appears the government can't provide an answer. The government doesn't know or doesn't want to tell Tasmanians how much SES positions cost Tasmanian taxpayers.

Do you think it's acceptable that the government doesn't know or won't tell Tasmanians what those at the top of the State Service, in increasing numbers, actually cost?

CHAIR - The total cost we're talking about.

Mr ABETZ - Clearly, the people of Tasmania and the parliament are entitled to know if those figures can be obtained. I would have thought they should be able to be obtained. It would be some work to get it from all the agencies and departments, but I would have thought that that figure must be obtainable.

CHAIR - One would think you could pick a button and pull most of that information out.

Mr SWAIN - I think that information does exist and SSMO who validates some information with budget branch would be the custodian of that. Probably, the critical question is not so much just the SES, but any other specialist officers who go along with SES because if you look at the SES, it's a relatively small number compared to the size of the State Service.

Again, from a budget point of view, you'd be looking at where the dollars are more than the number of SES which are still relatively small.

Ms THOMAS - What I heard you just say is that information should be able to be provided, Treasurer, and it should exist, but it appears on a number of occasions I've asked it, it can't be provided for some unknown reason.

CHAIR - That's what the Leg Co has been told in an answer we've received.

Ms THOMAS - That's what we've been told. I understand and I hear you say it's perhaps a question for SSMO through the Premier, but, Treasurer, is it something that you're willing to take on board and consider coming back to the committee with?

Mr ABETZ - Yes, it is what I would ask the member for Elwick to do please is if you could provide me with your question and answer and then we will see what, if anything, can be added to that answer.

Ms THOMAS - Thank you, I appreciate that.

CHAIR - We will provide that through this process, as part of this reporting.

Mr ABETZ - Yes.

Ms THOMAS - Do you have an expectation of how many SES positions are expected to be removed as part of the rightsizing exercise?

Mr ABETZ - No I don't because, yet again, that is going to be for each department and agency to determine what is the appropriate fit for them.

Ms THOMAS - We keep hearing it's for each department and each agency, but what we've seen is that that approach hasn't worked because the results of cuts and savings that have been expected in past years have not occurred. So, who's taking the lead on this and actually asking agencies to report to them on those savings? Is it you as Treasurer or - who is ultimately accountable for this?

Mr ABETZ - It is the Cabinet that makes the decisions. It's the Cabinet that approved the Budget and each individual minister within the Cabinet process knows what his or her responsibility is with his or her agencies and departments to live within the means set by the Budget that collectively Cabinet approved.

CHAIR - Does Treasury hold this data, does Treasury actually have it, the data that we've been seeking?

Mr SWAIN - No.

CHAIR - How do you form the Budget if you don't have this data?

Mr SWAIN - We have information and we can derive information through BMS - the Budget Information Management System - but the custodian, or the source of truth, when it comes to employment numbers, is SSMO in DPAC.

CHAIR - Just while we're on that, I've just got some questions about the monitoring reporting, which is what you're alluding to, Bec, there.

What reporting and monitoring mechanisms have Treasury established to ensure the proposed saving measures are being achieved? I do note there's an SSMO document, 'Managing Positions in the State Sector,' that was put out in April 2026, so fairly recent. It requires agencies to report on implementation of workforce reductions. So, my question is, how are you monitoring this, and will those quarterly reports be required under that be made public with any identifying features removed?

Mr ABETZ - Look, allow us to take that on notice. There's speculation it might already be made public.

CHAIR - Oh, it used to be. Once upon a time it was public, in 2014-15 it was public - no longer, no more, it's been removed from Treasury website. Well, that was back in the day when there was some reporting on it. So, my question is, regardless of whether it's publicly available or not, because it's not. Under this new Managing Positions in the State Sector, will you publish that information publicly and remove any information that may identify individuals, of course?

Mr ABETZ - Look, more than happy to consider that.

Mr SWAIN - it's a matter for Premier really.

CHAIR - What was that, sorry?

Mr ABETZ - Matter for the Premier and DPAC, but I'm happy to take that question on notice and give it consideration.

CHAIR - Whether or not it'll be reported publicly?

Mr ABETZ - Yes. And, if so, in what form et cetera. But, I imagine this will be a flick pass to the Premier.

CHAIR - I understand there may have been, and this is back to Treasury, some commitment to reporting these matters in the revised Estimates report, is that the case?

Mr SWAIN - Sorry, which matters?

CHAIR - The budget savings, and the monitoring of the budget savings and the cost-cutting measures, effectively, savings measures, whatever you want to call them - operational efficiencies.

Mr SWAIN - So, the RER will provide an update in relation to expenditure, but beyond that, that's a matter for the government to consider.

CHAIR - The RER is a bit late anyway, because there'll be so much water under the bridge by then that if you're not meeting targets, we'll be so far underwater it won't be funny. So, back to that question - but we will put that to you in writing.

Ms THOMAS - Just further on the reporting and the accountability here. Are the agencies, then, expected to report through to Cabinet on how they're achieving these savings and these job-reduction targets, if you like, of you know - there's 1700 full-time positions expected to be removed from the State Service by 2029-30 - is there a target of how many per year are expected across the forward Estimates and how will agencies be held to account for that? Given, again, what we're seeing is that there have been new jobs advertised over the past 12 months despite the jobs freeze. I acknowledge you say that that was on essential positions, but if the government hasn't actually said here's some functions, or Cabinet hasn't said, here's some functions that, from a policy perspective, we think you no longer need to do, who's accountable? How is this being reported back to Cabinet, if there's no direction from Cabinet?

Mr SWAIN - If I could, there's a couple of processes running in parallel that are complementary. As I understand it, the essential positions exempt reporting that started last March will continue and that will be provided regularly to Cabinet, in terms of what are the paid FTEs by agency. That will work alongside the budget reporting process where agencies will be - well, Cabinet will expect to be meeting monthly and looking at savings achievement on a rolling basis across different agencies. Ministers themselves, in their weekly and ongoing meetings with their agencies, should be discussing where the agencies are at in terms of savings and, where there are well-developed plans, how they're progressing and, where plans aren't yet developed, what the plans look like.

In addition to that, through the EPU, there is a piece of work that's happening through Mr Chris Eccles, who's a former secretary of a number of Premier and Cabinet departments interstate. He's also, I think, as part of his work, having a look at the structure of the State Service and just seeing how that has or hasn't changed over time, which will go into your previous question around SES and the composition of the number of people that are in the State Service.

CHAIR - One more on this - I'll need the Treasurer to be paying attention - Treasurer, if the agencies don't meet their budget savings measures, will you take action against the head of agency under the *Financial Management Act* or what will you do?

Mr ABETZ - I might have to be reminded what powers, if any, I have to take action against agency heads. I would like to think that the power of persuasion of the need for getting the budget into a sustainable position will be something that all agency heads will be dedicated to, given that that is what the government's position is.

CHAIR - You'll just rely on people to do that? You won't -

Mr ABETZ - Well, they are professional public servants and the government is elected to undertake certain tasks and it is anticipated that the public servants will deliver the government's agenda.

Ms THOMAS - Can I just ask one more on that? Can you just be clear: has Cabinet identified any particular services, functions or activities that the government intends to stop delivering, reduce or delay, in order to achieve the savings and job cuts?

Mr ABETZ - Look, in relation to the Department of State Growth, for example, Premier and Cabinet has identified, if I recall correctly, 82 positions that they have rightsized.

Ms THOMAS - No, I'm not talking about positions - sorry to interrupt you, Treasurer - I'm talking about which services, functions or activities will be stopped or reduced or delayed, not jobs. Which particular - has Cabinet given any direction or is that totally up to the discretion of the department?

Mr ABETZ - That will be up to the ministers to determine with their agencies and that work will be done.

Ms THOMAS - So, ultimately, the government's announced a number, but not a plan and no detail yet on what it will stop, reduce or delay. When will it provide that information to Tasmanians? When will we be at a point in time where departments will come back to the Cabinet with a plan for how they're going to reduce these numbers exactly, what they're going to stop, reduce, or delay? When will there be transparency and honesty with Tasmanians about what that actually is going to mean and look like from a service delivery perspective?

Mr ABETZ - The plan was very clear. We got sent to an early, unnecessary election on the pretext of the need for budget repair. We have taken that on board and we are engaging in budget repair and that will require a whole host of individual decisions by individual ministers, agencies and departments.

Ms THOMAS - Is it your expectation, as Treasurer, that at some point, say in three months, there will actually be some level of more detailed understanding, not just numbers -

CHAIR - A visible plan.

Ms THOMAS - but an actual plan for what impact on services this is going to have? Because it will undoubtedly impact on services. You can't cut 1700 jobs without impacting on services.

Ms O'CONNOR - You can't build a stadium at Macquarie Point without impacting on services either.

Ms THOMAS - At some point you have to provide some direction, or at least information on what is going to be stopped, reduced or delayed. It can't just be a number. When will that information be available? If departments are going through these actual plans, developing their own plans, when will that information be available to Tasmanians?

Mr ABETZ - There won't be a specific date for all of them. It will be - individual agencies will come to their conclusion. For example -

CHAIR - When will Treasury's be available?

Mr SWAIN - When we get to that output, I can talk to that in broad details, but we also have to understand, especially in a small agency, that some of those decisions -

CHAIR - Which line item do you want us to bring that up in?

Mr SWAIN - I presume when we get to Treasury itself.

CHAIR - We are. We're in 1.1 budget management.

Mr SWAIN - Okay.

CHAIR - It's exactly where we are.

Mr SWAIN - All right. I was just going to say there are also individuals involved in some circumstances, so - I mean I was going to say, just a broader comment, that 1700 is by 2029-30, so it's over some years. That is about 5 per cent, I think, from memory, of the headcount. The headcount has grown by about 40 per cent over the last 10 years. You have to look at the whole thing in context. We're talking about a 5 per cent discount over - a reduction in employment over several years, achieved over several years that would be off the back of a period of 10-plus years' growth, where there's been a 40 per cent increase. I suspect this would be a challenge that many businesses would exchange. They're in a situation where a lot of businesses can't pass on all their costs to their customers. They may have wage growth or other costs that grow more rapidly than their price of the good that they're selling. They have to adjust their plans to manage that. That's what's happening here in the State Service. We have grown quicker than the budget can provide for -

CHAIR - But we deliver services, as opposed to a lot of businesses, you say they don't provide services as such.

Mr SWAIN - No, well, some are goods, some are services. My point is: households and businesses have to adjust to the circumstances they find themselves in, and the government is in the same situation, unless it wants to continue to run debt up.

CHAIR - When will Treasury have its plan available to be seen?

Mr SWAIN - I'm happy to talk in broad terms about what Treasury's plan is, but we weren't intending to publish a plan, because that plan will affect a range of individuals inside the agency. So, the first audience for that plan is the actual people in Treasury.

CHAIR - Going back to Bec's question: when will the people of Tasmania have some visibility of the plan? Only then can we see, as individuals, what impact they may have on services. Acknowledging Treasury is a small department, it doesn't deliver services to people. It delivers services to government, which is different.

Mr SWAIN - Well sorry, but we have a whole division, that does - Jonathon's whole division.

CHAIR - He does, true. Sorry, Jonathon.

Ms O'CONNOR - On that, you've had pretty good go. I'm just trying to understand, in terms of the plan, one area of the Budget that hasn't been cut, in fact got extra money, was the AI accelerator project. Noting that's administered through DPAC, there's \$8.5 million over the forward Estimates for the implementation of artificial intelligence into government agencies. Of the 1700 jobs that are expected to be cut over the next few years, what is Treasury's analysis on how many of those jobs can be replaced by artificial intelligence?

Mr SWAIN - I can talk to that. So, I think all over the State Service AI is starting to be adopted in a reasonably cautious manner. Certainly in Treasury it's seen that AI is not going to replace staff, but it may enhance staff. It may contribute to that attrition process where, if you've got a branch of 20, you're not going to have exactly the same jobs in two years as you have now. It may vary duties, et cetera; so, I guess what I'm seeing in Treasury is AI not coming in to do incredibly grand things that replaces a whole area, but more data analysis, data retrieval, some basic work that then still needs to be checked and validated by a human, but it may take out some legwork from different branches.

Ms O'CONNOR - But this is the risk, isn't it, where agencies, because they're being forced to make quite significant cuts, start replacing data analysis, policy analysis with artificial intelligence; and I'm sure that across agencies they're looking at, of the jobs that they will have to cut, what can be replaced by artificial intelligence. There's a promise by government to have a register of AI. That's gone nowhere, so, Treasurer, to you: are you saying that there's been no analysis undertaken, as far as you know, certainly not by Treasury, of how many of those tasks and those jobs can be undertaken by artificial intelligence?

Mr ABETZ - As I understand it, that is all being looked at and examined by the various agencies as we speak, but there will be, if you like, the human overlay at the end of any such process.

Ms O'CONNOR - How can we be sure of that, because what we got out of the Premier in his state of the state address was that this government would be 'fully embracing AI'; what does that mean in terms of cuts to the State Service and the impact on Tasmanians where we're going to have artificial intelligence in the system, a system that is depleted of human oversight to an extent? What does it mean for a government to fully embrace AI? You just sound a bit vague about it. It's really very serious.

Mr ABETZ - It is. What it will mean is more efficient service delivery and, one suspects -

Ms O'CONNOR - How do you know that?

Mr ABETZ - at a cheaper cost to the Tasmanian taxpayer, and an example is down in my area, and now the member for Huon's area as well -

CHAIR - It always was the member for Huon's area.

Mr ABETZ - the Huon Valley Council - or now, as member for Huon, thank you for that correction, where the Huon Valley Council is going through planning permits, planning issues, where people can fill in the information and get a response a lot quicker than if they put in a physical form, have it examined, et cetera, and so that has relieved the Huon Valley Council of a lot of personnel input. It's given their ratepayers an opportunity to get responses a lot quicker, and as a result their planning people are able to spend more time on the bigger planning issues, and as I understand it, other councils are getting quite excited about that.

CHAIR - Let's go back to the start.

Mr ABETZ - No, but what I'm doing is giving you a real live example that has just come online relatively recently, I think they call it Michael after the fellow that developed it, but that's an aside, but that is where you can provide more efficient, quicker, cheaper service delivery that benefits everybody.

Ms O'CONNOR - Okay. Can I just check on that, because in some ways, isn't the introduction of artificial intelligence a bit like a drug dealer model because, well, they're offering the AI for free?

Mr ABETZ - Explain to me the drug dealer model.

Ms O'CONNOR - Well, because you get upgrades to your platform and AI, so we've all suddenly got Copilot on our laptops, whether we asked for it or not. It's apparently a sort of a free part of your upgrade, but what's been happening in companies that have fully adopted AI, of course, is that then there's a subscription, right, and so you get your system hooked on AI and integrated into your data systems, and then it is at cost and there doesn't seem to be anywhere in the Budget where there's an assessment of what the introduction of artificial intelligence across agencies will cost them, because ultimately there will be a price to pay for the subscriptions that government will become hooked on because they've been given access to the free AI.

CHAIR - Is that a question?

Ms O'CONNOR - It sure is.

Mr ABETZ - That's a fair commentary, if I might say, and a fair question at the end of it, but I am unable to provide you with an answer to that. Are you able, secretary?

Ms O'CONNOR - But you must acknowledge there will be a cost also of adopting artificial intelligence across agencies.

CHAIR - A cost and a benefit, are you saying?

Ms O'CONNOR - Well, I'm just trying to work out what the cost is, you know, because we keep hearing about the benefits, but there's not enough conversation either about the costs or the guardrails and how you protect the public interest and protect their data.

Mr SWAIN - Just a couple of things, if I could. All the IT directors are meeting regularly to work through both the opportunity and the risks.

Ms O'CONNOR - I wish that made me feel confident.

Mr SWAIN - Right.

Mr ABETZ - Would you prefer them not to meet and not to discuss these issues?

Ms O'CONNOR - Well, you know, TT-Line, Bridgewater Bridge - I mean, there's not - anyway. Competence is not really part of your government's brand. This is not about you, Gary, sorry, continue.

Mr SWAIN - Well, I was going to say, that's leading to an understanding of the need to manage the data that is available for AI. I think your point about future pricing, it's understood that that is a risk. There is also, certainly in Treasury, a kind of shadowing model where a process is identified as potentially something that you could do quicker or better through AI we'll actually run that in parallel to existing -

Ms O'CONNOR - The human process.

Mr SWAIN - Yes and until that process can reliably deliver we wouldn't move away, but it is also - I just come back to - AI is often talked about like it's going to remove coding so you won't buy a system anymore, you'll just buy a service that's developed by - there's also a thousand little changes around the way you access, summarise, report on data, but none of those things - they still need human overlay, they still need quality assurance.

Ms O'CONNOR - Are you confident, Treasurer, that there are sufficient guardrails in place around the use of AI by government, particularly in the policy advice that's given to government and also decisions that are made that affect the lives of Tasmanians and the access to their data and the protection of their data?

Mr ABETZ - Best endeavours are always undertaken in these areas and, regrettably, from time to time, there are data breaches even with, as I understand it, the best of security put around. So, to say that you can give an absolute guarantee is, I think, fraught. That is why one of my favourite sayings is 'never say never'. You can't give the absolute guarantee, but best endeavours and the departmental people dealing with these matters are very conscious of the issues you raise and the importance of guardrails, et cetera.

CHAIR - Can we go back -

Ms O'CONNOR - But if they're being asked to slash staff there is a risk here - sorry, Chair - that agencies will grab onto this thing, thinking that it will help them deliver the efficiencies that's been asked of by your government, which has spent, of course, 11 years

creating this black hole. I just wanted to hear that you understand there's a risk here and what I'm taking from our conversation is that, at the moment, government hasn't got a clear picture of how many of the 1700 state servants who will lose their jobs or not be working in State Service anymore, will be replaced by AI. So, that body of work hasn't been done?

Mr ABETZ - That body of work will, I suspect, be individual bodies of work in various agencies as to what can be done.

CHAIR - If we can go back to the question that somehow got derailed a bit by this, I was asking about when Treasury's plan will be - acknowledging that people in Treasury need to be informed first - but, Treasurer, you told us that plans would be developed. So, when will Treasury's plan be done?

Mr SWAIN - I could talk now to the key aspects of how we're approaching this, if that would assist?

CHAIR - Yes.

Mr SWAIN - Really, we're looking at three overarching approaches. One is a review of outsourced services. So, we're looking at everything that we contract out; have we got the balance of that right and are we getting the best value for money from existing contractual arrangements? We're also looking at broadly departmental operating costs, which some of our costs have changed just because we're doing business a bit differently. So, that's costs that might be affected, for example, by the fact that now you don't do the travel that you used to do because every second meeting or two out of three meetings are held over a Teams meeting. We're having a look at things like on-costs that haven't moved with the operational delivery. We're also having a look at the departmental staffing arrangements, which, as I've talked about, is really going to be a workforce planning exercise. There are 15 branches in Treasury, and I've called that senior management group together to ask each area to start working up a workforce plan with a view that if you're a branch of 20, you should plan to be a branch of 18 or 19. So, just plan that there'll be an efficiency requirement over the next couple of years and formulate that.

The outsourced services will look at everything we outsource, but one of the areas that we're going to have a look at is the superannuation area and that's where we have a major outsourced contract that's coming up for renewal in 2027-28. We're going to look at whether we've got the balance right between what we do through that contract versus internally in the context that the number of members of the defined benefit scheme is falling over time. We want to make sure that our contractual arrangements offer us some recognition that the number of people being serviced is falling over time.

CHAIR - Treasurer, I note that there's an independent review of the fiscal strategy being undertaken for \$100,000 per annum at the same time that they're required to cut \$100,000 in operational efficiencies. I would have thought a review of the fiscal strategy would be a core function, so why is that being outsourced?

Mr SWAIN - As I understand it, that's a part of the safeguarding agreement for the stadium. It was part of those arrangements.

Ms THOMAS - That it be outsourced?

CHAIR - That the review of the fiscal strategy be outsourced?

Mr SWAIN - That's my understanding.

CHAIR - Where was that commitment made?

Ms THOMAS - It must have been to Dean. I think he asked that Saul Eslake do it, actually.

Mr SWAIN - I think that's right. I think it was Mr Harriss. It came from him.

CHAIR - Do you still maintain the cadet program within Treasury?

Mr SWAIN - Yes, we do. On our headcount, since the freeze, we actually have a spike, which went up by about 10. That reflects the ongoing annual recruitment of cadets. Plus, we do a couple of trainees and a couple of graduates. We've got a very strong commitment to youth employment. But it does mean our numbers will spike once a year and then trail off again.

CHAIR - Can you provide the number of cadets you've had - or trainees, whatever measure you've called them - over the last five years?

Mr SWAIN - I can provide it. I don't have it at my fingertips.

CHAIR - No, I'm not asking if it's at your fingertips.

Mr SWAIN - We've gone out for a recruitment of eight, I think it was in January, plus the two graduate positions and one trainee. I think it was 11 from memory, but I'll confirm that.

The program has waxed and waned a little bit, but has always been within kind of boundaries and it's understood that about half of the cadets in Treasury will ultimately leave Treasury, but most of them go to other parts of the State Service. I think it has proven over time to be a very good value program for Treasury because by the time a cadet is in their third or fourth year, they've been in three or four branches - they rotate regularly and they're very skilled at level.

Mr ABETZ - And when I walk through the departments, for what it's worth, both Treasury but in my former manifestation, it was good to find out how many had, in fact, done a year cadetship with Treasury and that's I think a very valuable program.

Ms THOMAS - Just to wrap up on these plans: it's pleasing to hear Treasury is taking the structured approach to it, but I would have thought, Treasurer, that there'd be an expectation - perhaps from yourself or the budget Cabinet that all departments are following a similar sort of exercise in terms of how they're actually approaching this and that there would be some reporting back to the Cabinet or the budget Cabinet by a particular date. Given that these savings are to be achieved in the 2026-27 financial year, there's a clear target. Why is there no expectation that they report back by mid-June, 1 July or - is there?

Mr SWAIN - Sorry, perhaps I was a bit obtuse in my former answer. In the monthly reporting that will go to budget committee, that then tracks through to Cabinet. So, on a rotational basis - because, obviously, budget committee can't do every agency in one meeting

or the meeting would have to go for eight hours - but, probably every three or four months we would expect everyone to come to budget committee to update on their savings progress. The order of who comes to budget committee when would be the Treasurer's to determine and Treasury might give some advice about who should be prioritised and where the priority should be.

Ms THOMAS - Yes, but in terms of the actual plan for how it's going to be achieved, I would have thought this is pretty important that the government set this ambitious Budget and savings target here. I would have thought it'd be perhaps an expectation it might warrant having an eight-hour meeting where everyone presents their plan to say this is how we're going to do it because that's what you've committed to the people of Tasmania that you're going to try to do. Treasurer, there is no expectation from you that by a certain date agencies will have their plans, if not published, for reasons that you've mentioned fine, but at least to Cabinet for cabinet consideration. There's no expectation of a particular date?

Mr ABETZ - Not a specific date, no. I think we've announced in relation to Department for Education and Young People there will be a review, so that will take its course.

Ms THOMAS - How can you be sure then that these savings will be achieved in the financial year, when there's no plan and no date by which a plan has to be finalised?

Mr ABETZ - Because each and every individual agency and department will have to live within its means. They have been set the target and that is the target they will need to achieve.

Ms THOMAS - And if they don't?

Ms O'CONNOR - They've never done it before

Ms THOMAS - Yes, they've never done it before, and there's no consequences, and things just keep going down into this black hole.

Ms GLADE-WRIGHT - Do you have a way of enforcing it?

Mr ABETZ - The -

Ms THOMAS - I think that's what you asked before.

CHAIR - The financial management.

Mr ABETZ - That is a matter for Cabinet, and for each individual minister and agency, and I trust, oh not me, the government has made itself exceptionally clear as to what the expectations are.

CHAIR - Treasury previously informed us that it established a vacancy management committee comprising members of the executive committee and the manager of human resources to oversee assessments of positions. When does that committee meet and when did it last meet?

Mr SWAIN - The executive meets weekly and progress or monitoring of positions is part of that process. We have an escalation of approvals of all positions to me as Secretary.

CHAIR - There minutes taken of those meetings and reports provided?

Mr SWAIN - Yes.

CHAIR - Will they become public through the SSMO reporting requirements we talked about earlier?

Mr SWAIN - No, they're an internal management document for Treasury. We separately report to SSMO on a monthly basis. There's reporting through, but that's an internal management plan for Treasury. It gets down to individual positions where anyone in Treasury will know who those people would be. It's not something that is suitable for wide distribution.

CHAIR - Following the hiring freeze that Bec spoke about earlier, I think it was, indicating the Workforce Renewal Incentive Programs - or WRIPS as you call them - but being considered as part of its broad organisational review, what was the result of that organisational review and what reductions were made to Treasury's workforce as a result?

Mr SWAIN - I can talk to that broadly while I pull up the brief. Since the employment freeze, when that happened Treasury had quite a lot of vacant positions. I'm looking for the key statistic. We have abolished 37 positions, a significant number of those were vacant. First thing we did was look at what positions have been vacant for how long.

CHAIR - How many were vacant?

Mr SWAIN - I don't have that information but, in some cases, the position had been vacant for a period of time, in some cases the position was absolutely abolished because it wasn't needed. In some cases, an alternate position at a different level was needed, so it's complicated story. Treasury had about 20 vacant positions at the time of the freeze. There was also an issue that you're in the middle of a whole range of processes. We are currently sitting at about nine positions higher than we were when the freeze began. Those nine positions really reflect the commitment to youth policy, because you will see that this is bigger than the number of recruitments we've done to maintain the cadet program. I believe there is one new position that has been created over that timeframe.

CHAIR - You said there were 20 vacant positions at the time?

Mr SWAIN - Yes, so what I'm saying is we haven't filled all of those and also removed a number of positions that had been vacant for a period. They have been abolished or replaced by an alternate position, but generally abolished. Really, there is one new position. What we've done is create one new position, and filled some, but not all of the vacancies that existed at the time that the freeze commenced. We have made maintained prioritisation of youth in employment.

CHAIR - That wouldn't have actually reduced your cost though, because if those positions were vacant at the time?

Mr SWAIN - No, you're quite right, which is why the Treasurer talked about the importance of managing the budget. Unlike some other agencies, at the time the freeze started Treasury was significantly under budget, so we are still primarily managing to budget, and we will remain within budget for this year. We have already the plans in place to achieve budget for next year.

CHAIR - How many paid FTEs were removed in that process or were they just unfilled positions?

Mr SWAIN - It was more a question of not filling positions. In some areas we've looked at small restructures, where a team of six might have been replaced with a team of five. Or there is a function moved from one branch to another branch, because we came to a view it could be done more efficiently in the other branch, because there was some synergy. It's a very granular story. It gives you, hopefully, a feel for what will be happening across the State Service, in terms of workforce planning.

Ms THOMAS - To follow on from that, does Treasury do any analysis of management-to-staff ratio in Treasury? You, mentioned before, with prioritising the junior workforce, but do you have any -

Mr SWAIN - Yes, in our regular reporting to the executive team, we track the different categories of employment, including SES and band nines or any special senior executives, and specialist executive service positions, as well as gender ratios, and a few other full time and casual. We track a range of employment metrics.

Ms THOMAS - Is that report published, or is it just provided to -

Mr SWAIN - No, it's because the numbers in Treasury aren't very big, by the time you start breaking it down, you can start to work out who it's referring to. It's a management tool, an internal management tool for the executive.

Ms THOMAS - Okay. Are you able to tell the committee the staff-to-management ratio, or what the ratio is at that sort of higher level?

Mr SWAIN - I will just check.

Ms THOMAS - Staff-to-management ratio.

Mr SWAIN - Fifteen in SES and the staff is about 340. We could work out the ratio easily enough, yes.

Ms O'CONNOR - Thank you Chair. Treasurer, if we could just step back a bit and talk about risk. There are so many risks to the state's bottom line posed by the Macquarie Point stadium that they had to be subdivided into numerous little subsections within the budget papers. Treasury warns that the current cost estimate for the stadium, which is \$1.13 billion, remains unchanged from last year's budget, but says,

complete designs will not be available until after the appointment of a Design and Construction Head Contractor. As a result, current estimates are

based on schematic-level designs, and cost allowances, rather than finalised market prices.

Given that construction costs nationally have increased by around 18 per cent in the past year, and are projected to increase even more, and the cost of materials like concrete and glass -

Mr ABETZ - And PVC.

Ms O'CONNOR - and PVC, have substantially increased, what is the best guess for the final price tag of the stadium at this point, noting that parliament has asked your government to come forward with revised, more realistic cost projections for this huge expensive project.

Mr ABETZ - I will discount all the descriptors in that question, and in the preamble. Suffice to say the best information we have from quantity surveyors is the \$1.13 billion. That figure remains. As you know, we're going through an active procurement process, and at the end of that we will undoubtedly be advised of what the two bidders consider that they can build.

CHAIR - This is more a matter for the later hearing.

Ms O'CONNOR - With respect, Chair, this is about budget development and management, and to manage a budget sensibly -

CHAIR - But the actual matters related to procurement, we can ask in a later session.

Mr ABETZ - I don't care when I answer them.

Ms O'CONNOR - No, no. I'm not asking about procurement. I'm talking about risk to the state's finances, and given that, routinely, construction costs for projects like this are multiple - you could multiply them by three and come in with a quite realistic final cost, you could. If you look nationally how costs blow out for big projects like this, it's at about three times initial estimates. What is the government's plan? Are you just going to let MPDC keep borrowing and loading on the state's debt? Will you let Stadiums Tas then borrow more and add to the state's debt? Will you go the Commonwealth with your hand out? What's the plan?

Mr ABETZ - Look, all hypothetical. We will make decisions -

Ms O'CONNOR - But realistic.

Mr ABETZ - We will make decisions when and as they are required to be made. The best information we have from MPDC, from their professional quantity surveyors, is the price tag that's been out in the marketplace, and when it altered to the 1.13, if I recall, I forget the dates, but I think I was told on a Monday and we announced it on the Tuesday, so when and as those figures become available. This is a major project for the people of Tasmania, endorsed, might I add, by 70 per cent of the parliament.

Ms O'CONNOR - That's being a bit specious, really.

Mr ABETZ - We will make that information available.

Ms O'CONNOR - Can I ask: so we have Treasury here confirming that the current designs are basically schematics and there's a whole lot of elements to the cost of the stadium that are unknown, apparently, at this point. In a letter that you wrote to my colleague here on 4 December, you claimed there was an industry-standard P90 assessment, which means there was a 90 per cent probability of costs. Do you stand by your statement in that letter that you had an industry-standard P90 assessment of costs?

Mr ABETZ - Look, that one might be better to ask under the MPDC. I think -

Ms O'CONNOR - Well, you signed this letter.

Mr ABETZ - Yes, but I -

CHAIR - Did you sign it as Treasurer, or Minister for Macquarie Port Urban Renewal?

Mr ABETZ - Very good question, Chair. I suspect the latter, as minister for Macquarie Point; thank you for helping me, Chair.

Ms O'CONNOR - Well, I mean, you could either answer it now or answer it then. You're going to have to answer that question.

Mr ABETZ - Look, just bear with me.

Ms O'CONNOR - Because that letter had an influence on the vote.

Mr ABETZ - I will need to take that on notice, but, yes -

Ms O'CONNOR - Okay, well, if I could just assist you a little bit: that letter made an unequivocal statement, signed by yourself and the Premier, that the government had a P90 assessment of the projected cost of the stadium and that you were 90 per cent sure it would cost \$1.13 billion, and members of this place took you on good faith, and it did influence the vote.

Mr ABETZ - You clearly didn't.

Ms O'CONNOR - No, but I was born cynical. You know, it's a probity question, really. You made a commitment, in writing, about a cost estimate that, according to your own risk assessment in the budget papers, can't be realistic.

CHAIR - Is that a question?

Ms O'CONNOR - Well, do you stand by what was written in that letter?

Ms THOMAS - He said he would take it on notice.

CHAIR - Yes, he's taking it on notice. He's agreed to take it on notice.

Mr ABETZ - I stand by my correspondence. I will have to check.

CHAIR - I think we should ask you this again in your later portfolio; we will expect an answer then.

Mr ABETZ - I will have to check, Chair, as to whether the representations of my correspondence are in fact accurate.

CHAIR - I think the secretary might have something to add.

Ms O'CONNOR - But it is - okay.

MR SWAIN - Just on them, if I could, just on some detail on what we were discussing before -

Ms O'CONNOR - If I could just finish off with the Treasurer, who's not at the Table at the moment. Treasurer, just in terms of these certain - yes.

Mr ABETZ - Quickly, if I may, I sort of had recollections of certain things, but, Chair, you might be able to confirm that the P90 was tabled in camera at PAC.

Ms O'CONNOR - Isn't that interesting? So we made - I made a request through this place that the members of the Legislative Council would have an opportunity to view the P90 in camera and that was refused, but it was apparently tabled to a small group of MLCs in the Public Accounts Committee, which we're only finding out about now. So, there's a bit of a problem with transparency, I reckon, here all round, because that is a matter of public interest and everyone in the Legislative Council should have been able to have a look at.

Ms THOMAS - Sorry, just to be clear: it was tabled in confidence during the public session. It was publicly articulated that it was tabled in confidence; it wasn't tabled in camera. It was tabled in public session -

Mr ABETZ - That's why I was hesitant -

Ms O'CONNOR - Regardless, it was tabled secretly when -

CHAIR - No, it was tabled in public session and the request - and I don't want to talk about committee business - but it was in a public hearing, it was tabled and the request was made that the document itself be maintained as confidential within the Public Accounts Committee, which we receive many documents like that.

Ms O'CONNOR - Well, that's disgraceful, to be honest. That is disgraceful -

CHAIR - Anyway, let's -

Ms O'CONNOR - because the Legislative Council asked for a copy. We asked to be able to see it and we were told not -

CHAIR - This is a matter we can talk about in a later portfolio. We're going to move on back to Treasury.

Ms O'CONNOR - and now we're only finding out that PAC got to see it.

Ms THOMAS - But it was publicly - if you listened to the hearing or watched the hearing, clear -

Ms O'CONNOR - Yes, well -

Mr ABETZ - We have these various committees of our parliament -

CHAIR - I will move on, Treasurer, if I might.

Ms O'CONNOR - It's a matter of very significant public interest because it influenced the vote.

CHAIR - You and the Premier, Treasurer, made a commitment to the former member for Huon around adequate funding for Audit Tasmania, yet the Budget shows that hasn't occurred for Audit Tasmania. Is this a breach of the commitment, and what actions will you take to ensure funding is adequate to Audit Tasmania to undertake six performance audits per year?

Mr ABETZ - Look, the commitment to the member for Huon is there for all to see. The Budget, as I recall it, was the figures were locked away at a certain time. There have been discussions with the Auditor-General about the needs of that office. It's, I suppose, one of those difficult situations, and the Auditor-General might have more to say about that later on today when he appears before the committee, but the extent -

CHAIR - Treasurer, I understand there was correspondence between you and the Audit Office. Are you able to provide a copy of that correspondence to the Auditor-General?

Mr ABETZ - Yes, that's my recollection, that the Auditor-General - and may, if need be, happy to correct the record - but, as I understand it, he wrote to the Treasury and Treasury responded.

CHAIR - Can we have a copy of that response from Treasury?

Mr SWAIN - I can address it directly, if you'd like me to. The Auditor-General had a view about - or had an interpretation of the commitment he had received from Mr Harriss. We had some discussion that the scale and scope of audits were in the Auditor-General's hands, and I think that was the first discussion. There was an exchange of letters that recognised whether the amount in the Budget fully met the needs for all audits or not. The numbers in the budget process had been closed off and that the normal mechanisms available for any new management would be available and would be used, and that includes consideration of a request for additional funding (RAF).

CHAIR - Can you provide the correspondence that clarifies this?

Mr SWAIN - There was correspondence, but I would like to check the letter.

CHAIR - So, we will ask that you provide that to the committee.

Mr SWAIN - Yes.

Ms LOVELL - If I can just clarify, Treasurer: the commitment that was made to Mr Harriss was made on the understanding - and I don't have it in front of me, I know it has been tabled - that there would be an increase in funding to the Auditor-General. You're saying

the numbers were already locked in, so was that commitment made when it couldn't be delivered? How does that -

Mr ABETZ - No. As I recall it, it was - and I don't have that correspondence with me - but I thought it was for - was it for six?

CHAIR - The budget application falls. It falls significantly.

Ms THOMAS - It was for six performance audits, wasn't it?

Mr ABETZ - That's what I thought, thank you, member for Elwick, that it was for six audits -

CHAIR - Performance audits.

Mr ABETZ - Yes. The previous year, with the auditor's allocation -

CHAIR - It was \$2.7 million.

Mr ABETZ - more than six audits had been undertaken.

CHAIR - Some he had charged for, as he can do.

Mr ABETZ - Yes.

Ms LOVELL - So, can I ask a very plain question then. In all of the conversations and correspondence and whatever there's been between Treasury and the Auditor-General, and understanding the secretary has said that there was a discussion about the scale and scope of audits is in the audit officer's hand, has the Auditor-General indicated to Treasury or to you as the Treasurer, that he is confident that he can perform six audits with the funding that's been provided to him, in line with the commitment that was made to Mr Harriss.

CHAIR - That's why we need to see the correspondence.

Ms LOVELL - I'm asking the question now. You should be able to tell us whether he has confirmed that or not.

Mr SWAIN - I just note that the expenses for the Auditor-General over the Budget and forward Estimates go up from \$11.1 million to 12.5 million over the Budget and forward Estimates. So those expenses -

Mr ABETZ - What page is that?

Mr SWAIN - This is page 70 of budget paper 3. There just is a balance to be struck here.

CHAIR - Can I just be clear about this, because a lot of that revenue or the expenses come from the financial audits that are charged out. Let's be fair, let's focus on the appropriation particularly, because that's where the performance audits are funded from as well as the other operating costs of the office.

Ms LOVELL - I just want a really clear answer about whether he has indicated to you that he can deliver that process.

Mr SWAIN - Yes, I was going to get there. What I was going to say was, I think everyone, almost every party that puts a proposal to budget committee would like more than they end up getting. The Treasurer is trying to manage to up some particular outcomes, the priorities of the government of the day. In that context, integrity entities are particularly challenging because, on the one hand the importance of the Auditor-General's role and the importance for independence is recognised, but, if that goes as far as him setting his own budget, that's impinging on the executive government of the day's decision-making. So, there is a balance here to be had.

Ms LOVELL - So, understanding that, and notwithstanding that, the government made a commitment to Mr Harriss that the Auditor-General would be provided with enough funding to conduct six audits a year. The question leading from that is, is the Auditor-General confident that he has enough funding allocated to him to conduct those six audits a year?

Mr SWAIN - He would argue that, if I may, that he would need more funding, but I'm saying almost every participant in the budget process would have that view in relation to their costs.

Ms LOVELL - I understand that, but the question is not really about whether or not he's been provided - like the budget process. The question here is, I think, that the government's made a commitment to a member of parliament that it appears has not been delivered, or has been made with the understanding that they had no intention of delivering that commitment.

Mr ABETZ - No.

Ms LOVELL - You're saying now the numbers were already locked in when the commitment was made.

Mr SWAIN - And, as the secretary has indicated to you, the scope of an audit - you can have audits and audits, and the extent of the audit, and the amount of expenditure on a particular audit can be basically as small and as big as you like. Therefore, we believe that there was sufficient funding for six.

Ms LOVELL - Okay, that's the crux of it. So, the question then is, and we can ask the Auditor-General himself this afternoon, the Treasury, or you as the Treasurer -

Mr ABETZ - And surprise me, he'll say he needs more.

Ms LOVELL - the commitment you've made to Mr Harriss is made and the money that's been delivered to the Auditor-General comes with the, I guess, subtext that you believe he has enough money to conduct those audits, not whether he is telling you he has enough money to conduct those audits. Is that a fair summation of what we've talked about now?

Mr SWAIN - Yes, I just would add that there is actually a note in the budget papers that talks about the primary reason for the decrease in appropriation, is the completion of the budget initiative implementation of data analytics.

Ms LOVELL - That wasn't my question though. So, Treasurer, my question is -

Mr ABETZ - Yes, but see, once that is removed, then there is sufficient money with the allocations, we believe -

Ms LOVELL - So you're saying yes, you believe he has enough money to conduct six.

Mr ABETZ - We believe, yes.

Ms LOVELL - That, you believe, then, delivers your commitment to Mr Harriss. Thank you.

CHAIR - So we need to see the communication - if you could provide the communication sometime today.

Ms THOMAS - Treasurer, the government repeatedly highlights the net operating balance and talks about the deficit improving from \$923.3 million in 2025-26 to \$596.7 million in 2026-27. Treasurer, do you acknowledge that the fiscal balance is generally regarded as a better measure of the general government service fiscal position because it incorporates capital expenditure and borrowing requirements, as well as operating costs? If so, why do you place so much emphasis on the net operating balance when the fiscal balance shows an actual deficit of \$972.7 million in 2026-27?

Mr ABETZ - Because what we're seeking to do is to stage our budgeting to get a sustainable budget in the out-years and the forward Estimates and the first step is a surplus in the net operating balance, noting that there will still be borrowings for capital injections and infrastructure and, as we move through the forward years, we will then get to a sustainable situation.

Ms THOMAS - Further to that then, the government focuses on general government sector measures when it's talking about the budget numbers and what it's promoting in the return to surplus state. But, really the total state sector position, presents a more realistic or truer picture of Tasmania's overall financial sustainability and the public messaging focuses on general government sector operating deficit of \$596.7 million, but the total state sector deficit is significantly larger at \$690.9 million. Treasurer, would you agree that Tasmanian taxpayers are no less exposed to debt simply because it sits within a GBE rather than a general government agency and that the debt position is actually a lot worse when you look at total state sector as well, compared to the general government service? You talk about the general government service being forecast to reach peak debt in 2029, but certainly total state sector debt isn't. Tasmania won't actually reach peak debt in 2029. In fact, it continues to rise all the way through to 2030 - I think it's to \$15.79 billion in 2030. Is it expected to rise again in 2031? Has the modelling been done? What's the modelling showing as to when total state sector debt

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Mr ABETZ - It's the various GBEs [inaudible].

Mr SWAIN - There's a lot in that question. In the revised fiscal strategy, firstly, the net operating balance is identified as step 1 in a three-step process. Step 1 is realign operating expenditure with key government priorities - that's a reference to the net operating balance. Step 2 is return to net operating balance surplus. Step 3 is return to fiscal surplus. There is also

a recognition of the commitment to Mr Harriss in relation to reduce PNFC debt by \$500 million - sorry, public non-financial corporation debt by \$500 million.

CHAIR - We'll get to that.

Mr SWAIN - There is also a cap of total infrastructure funding and other equity injections, which is payment into the entities at \$1 billion. The reason there isn't a proposal around peak debt for the entities -

Ms THOMAS - The total state sector.

Mr SWAIN - Well, the non-financial parts of the total state sector, is because that debt is more complex to assess. Some of that debt is what you might call economic projects, which will produce a return intended to be higher than the cost of debt. Some of it is not. Some of it is to maintain essential services. Unlike the general government sector debt, where the return, if you like, from investment is improved services, the return on investment in the government businesses is partly economic - projects that wash their own face and cover the cost of debt - and in some cases not.

CHAIR - Not TT-Line then.

Ms THOMAS - Which projects do that?

Mr SWAIN - If you look at TasNetworks' projects, for example, they should provide a regulated return to their owner.

Ms THOMAS - Should, but do they?

Mr SWAIN - That waxes and wanes over time. Hydro -

CHAIR - They're not propping up the Budget at the moment, are they?

Mr SWAIN - There are a number of entities that provide returns, whether they're adequate or not, I'm just saying, there's not - the level of debt in the PNFC sector depends on the returns that each - there isn't a set number that would make sense to set for the PNFC. It's more about what the balance sheet of each business can afford and what the nature of their investments are. Are they investments that will make a return to the government. Or are they an investment that requires propping up by the government through the GGS (general government sector).

Ms THOMAS - But if the picture is like what we're seeing at the moment, where a lot of them are needing propping up by the government, and that's projected to continue, surely there's got to be an honest conversation with Tasmanians about the true picture of Tasmania's financial position based on that. Treasurer, I'm interested in your perspective. Why should Tasmanians be asked to judge our state's financial position based on this repeated conversation about general government sector figures, when taxpayers ultimately carry the risks and liabilities and debt of this entire state sector. We're seeming to leave that to one side, because it's a pretty bad picture at the moment. We just won't talk about that. We will just focus on what are the figures that look best.

Mr ABETZ - As the secretary has explained, there are the two elements. The important element is the GGS and getting the fiscal balance in the budget. Then there are all the matters off budget, with the government business enterprises and state-owned companies. Over the forward Estimates, I think I'm correct in that, the total asset base of the state is projected to increase. It's one of those things.

Ms O'CONNOR - Is that the stadium? Why?

Mr ABETZ - Why? Because with our borrowings and whatever else we are getting, our asset value is increasing. That is something. You can't just look at the debt. You've also then got to look at the asset value, as well; what that debt underpins.

Mr SWAIN - There's a whole range of investments. It means that it's the rate structure, the rate of investment in capital, and the equity that's allowing the entities to then have their own capital program supported by equity and self funded, is greater than the depreciation; than the rate of consumption of existing assets. We're adding to the asset stock.

Ms O'CONNOR - Thank you Chair. Back to the question that you said you'd take on notice -

CHAIR - Clare has got a question on the Budget, still.

Ms O'CONNOR - I just want to check, because we're about to knock off at 11.00, if you wouldn't mind, Chair, because it -

CHAIR - Just ask the question then.

Ms O'CONNOR - was unresolved. The document that you tabled at the exclusive little club that is the Public Accounts Committee -

CHAIR - That is disrespectful to the Public Accounts Committee.

Ms O'CONNOR - It feels like that's what it is.

CHAIR - I ask you to withdraw that.

Ms O'CONNOR - Well, you can take that up with me later. No, I won't withdraw that because it is an exclusive little club.

Ms THOMAS - Anyone can nominate for the committee.

CHAIR - It is not. It is a parliamentary committee. I will go to Clare. Clare has a question on this line.

Ms GLADE-WRIGHT - Thank you. I have a question about credit ratings. I noted in *The Advocate*, they reported recently that the world's biggest credit rating agency doubts that Tasmania will be able to pull off its ambitious budget cuts. Have you had discussions with the credit rating agencies, and what has their feedback been to you?

Mr ABETZ - I have had, and I've appeared before both, before the Budget. They then made their determination. They have indicated some positive, some questions as well, and possibly the secretary can add more to that.

Mr SWAIN - In broad terms, the credit rating agencies will like the aspiration that's in the Budget: the improvement in both the net operating balance and the fiscal surplus. That's in terms of: are you paying for your operating costs, and the cost of capital as you go. They like that aspiration. Broadly speaking, they only recognise improvement once it's happened. The public comments of the rating agencies are essentially saying it's good that you've stated that aspiration, but we need to see the outcome, which is pretty standard. That is the approach they will take broadly, to stated plans by governments. They want to actually see the revenue emerge and the expenses be reduced.

Ms GLADE-WRIGHT - Has any potential change to the credit rating been factored into the forward Estimates?

Mr SWAIN - No, not at this stage. The new fiscal strategy - one of its aims is to maintain the current rating and then subsequently improve it in the out-years.

Ms O'CONNOR - Good luck with that.

Mr SWAIN - We have had a look at the ratings scoring methodology, which has both quantitative and qualitative elements to it. The qualitative are by nature a bit harder to evaluate because they're someone's view. That says it's very important that what's projected in the Budget is achieved, if the credit ratings are to be maintained at their current level with an aspiration to improve. There's no doubt that the credit rating agencies in relation to most states around Australia are very keen to see a reduction in the increase in debt in particular that's been occurring in jurisdictions, including Tasmania.

Mr ABETZ - It sort of backs in the need for some tough decisions in this Budget and moving forward was the assessment of the credit rating agencies does have a determination on our capacity to borrow, interest rates et cetera, moving forward.

Ms GLADE-WRIGHT - Treasurer, why do you think they have doubts that you will be able to pull off this Budget?

CHAIR - Sixteen years of evidence.

Ms O'CONNOR - The history.

CHAIR - That's right.

Mr ABETZ - Sixteen years of evidence, I'm not sure that necessarily follows, but look, they are hot by their nature, they are conservative beasts, and therefore they will be very cautious in their assessments. Yes, you would have to ask them as to why they said what they did. I would like to get in their mind sometimes, but I'm told I can't and I don't and I won't, but if I could, I may have changed some of their ratings. That said, we have to put forward a situation to them. As I understand that there was at least some sign from them that they had - I forget the terminology they use - they were pleased in relation to what we were doing in comparison to if we weren't doing it yet. We can talk about all sorts of things in this Budget,

but as I try to ask what's the counterfactual if we weren't doing the rightsizing and if we weren't doing these things, what would be the consequences? And that is what always has to be asked.

Ms O'CONNOR - Presumably they've read the risks chapter in your own Budget?

Mr ABETZ - I'm sure they have.

Mr SWAIN - If I could just add to what you're asking: Moodys' initial comments recognise that this Budget represents a clear step towards fiscal consolidation, and the government accepts their clear point that delivery matters.

CHAIR - What date was this, Gary?

Mr SWAIN - Sorry, I'm just reading off our brief, but it was from the interactions with them immediately before the Budget.

S&P has highlighted that achieving targets will require discipline, something the government has recognised. I was just going to add that's sort of the flavour of the comments, as the Treasurer said.

The other thing to keep in mind, when the credit downgrade happened just before Christmas, there was no response from markets, which means they had already fully priced in that credit downgrade. To the Treasurer's broader point about the need for or the importance of understanding how credit ratings and bond markets work, the bond market will form its own view as to what the government will or won't do, even before the credit rating agencies have changed or indicated a change in rating and it will be on actual outcomes. First the bond market might react and then the credit rating agency will.

Ms O'CONNOR - They're connected.

Mr SWAIN - I'm saying the bond market works on what's actually happened.

Mr ABETZ - They use similar metrics and analysis one would imagine and therefore come to what I would imagine are relatively similar conclusions and default before the ratings agencies. They do that what every 12 to 24 months?

Mr BURGESS - Yes, minimum 12 months, but they they can change ratings whenever they wish.

Mr ABETZ - Yes, but usually the bond markets, they have people actively reading and considering things and determining what the risk factors are, in relation to at what price they would seek to buy bonds.

CHAIR - I note that this actually fits under 1.3, this area. That's all right.

Mr ABETZ - Happy to drift around, if the -

CHAIR - Are there any other questions on 1.1? Unless we will just start on 1.2 before we have our break.

Ms O'CONNOR - Can we just go back, not the P90, but just in terms of the previous minister's legal fees, we're just trying to understand if you were aware that the former minister was in court prior to 28 May 2026; that is, the day that she requested to be returned to the backbench?

Mr ABETZ - I'm not aware of that.

Ms O'CONNOR - So, were you aware prior to 21 May, or prior to 17 November - and 17 November was when she gave the misleading answer to this very committee.

Mr ABETZ - Look, I would have to take that on notice.

Ms O'CONNOR - Are you okay to take that on notice?

Mr ABETZ - Yes, but look, I don't have - I dare say the Premier in another place has been answering all these questions for and on behalf of Cabinet.

Ms O'CONNOR - Or not answering them, as the case may be.

CHAIR - I will put that to you in writing, Treasurer -

Mr ABETZ - Yes.

CHAIR - and you can determine how best to answer that.

Output Group 1 - Financial and Resource Management Services

1.2 Financial Management and Accounting Services

CHAIR - We will just move on to 1.2 Financial Management and Accounting Services, and just in this area, Treasurer, I want to just pursue a little bit the matter of wage indexation and the non-salary indexation further. It seems that the Budget assumes - and we have had a bit of discussion about this, the reductions in the FTEs will need to take effect from 1 July. Can you confirm how many FTE positions have actually been vacated as of today, and how many of those positions were vacant at the time?

Mr ABETZ - Look, I would have to take that on notice, I would say.

CHAIR - You can't answer that one?

Mr ABETZ - No, sorry.

CHAIR - You may handball this one too: but can you advise how many expressions of interest in voluntary redundancy or workforce renewal have been received today?

Mr ABETZ - The one figure I do know is the 148 from DSG; other than that, I'm not aware.

CHAIR - You're not aware of any others that have been expressed across the whole area?

Mr ABETZ - No, but once again, I think that's elsewhere.

Mr SWAIN - Individual agencies will have had - there is also sort of one-on-one workplace renewal incentive program (WRIP) discussions and voluntary redundancy discussions that could occur outside of any kind of program, so there won't be reporting around those.

CHAIR - Budget paper 1, page 86, shows a wage sensitivity figure of \$470 million for a 1 per cent increase in salaries across a three-year agreement; it seems to me that figure may be closer to 200 million. Can you explain how the \$470 million figure was calculated?

Mr ABETZ - That would be for the bean counters who did that for us.

CHAIR - The bean counters: we need to call some bean counters to the Table.

Ms THOMAS - Said with the greatest of respect for bean counters, I'm sure, Treasurer: very important people.

Mr ABETZ - People - yes, they are. But people have a sense of humour as well.

CHAIR - It's in the budget paper there, so someone has obviously figured out the number.

Mr SWAIN - I think what it will be is an estimate just off the total expense in the Budget. It will be 1 per cent on that total expense. I don't think it will be - I don't think it will relate to, you know, the average cost of - I don't think there will be any sophisticated analysis behind it; it will just be 1 per cent of the expense line, I think, the employment.

CHAIR - Can you confirm how that figure was arrived at?

Mr SWAIN - James?

Mr CRAIGIE - It's a 1 per cent increment on the indexation that's currently provided in the Budget, and I think -

CHAIR - 2.5 per cent?

Mr CRAIGIE - Yes, that's correct, and I think the final sentence is also critical. It talks about funding sources. It's not just salaries funded from appropriation; it's all salaries.

CHAIR - Just to go to your point, James, you've pre-empted my next question: there is a statement that structural adjustments or changes to allowances would add to further cost and including, perhaps, a 3 per cent pay rise rather than 2.5; so, can Treasury - you - explain the possible structural changes under consideration and their likely cost impact, based on that comment in the budget papers?

Mr SWAIN - Yes, so I think this is just a recognition that in the wages deals there are some - there's increases in salaries, headline salaries, and there are also some structural adjustments which vary from agreement to agreement. So, it's just recognising that.

CHAIR - The question was: has that - do you have any idea what that cost could be?

Mr SWAIN - We haven't - no, we haven't modelled that.

CHAIR - We don't know how much extra cost this matter alone is likely to cost the Budget? So, it's another missing estimate in the Budget of cost that's unavoidable.

Mr SWAIN - Well, all I would say is: again, the timing was very awkward on this, because the wage negotiations overlapped again with finalisation of the budget numbers. So, it was particularly difficult in this Budget.

CHAIR - I might pick that up when we come back from our morning tea break, Treasurer. We will take a break for - you want to just want to table something?

Mr SWAIN - If I could, just to deal with things as we go, if possible. So just confirm there are 15 SES, and as of today, we have 18 cadets, four graduates and one trainee.

CHAIR - I did ask whether you can provide over five years the number of cadets and trainees.

Mr SWAIN - Okay. No, we could.

CHAIR - If you can provide that at a later time - is fine. Yes, the cadets, graduates and trainees, yes, over the last five years.

Mr ABETZ - Trainees.

Mr SWAIN - Yes, it's waxed and waned a bit over time.

CHAIR - I appreciate that.

The committee suspended from 11.02 a.m. to 11.15 a.m.

CHAIR - Thank you, Treasurer, we'll keep going on Output Group 1.2. Just to pick up a bit where we left off, just before the break, Treasurer, wages have been indexed at 2.5 per cent in the forward Estimates, yet the known wage outcomes are running at a headline rate of at least 3 per cent. Can you confirm what the actual wage settlement outcomes are for the current year and why the forward Estimates don't reflect them?

Mr SWAIN - Sorry, so the point was just made that the wages policy is the 2.5 per cent, that's what's in the Budget, as you know.

CHAIR - Yes, you've talked about that.

Mr SWAIN - But the actual payments reflect awards, there are literally hundreds of awards, so it's, yeah - we will know the actual expenditure on employees in arrears, but we can't know that in advance because it depends on how the awards are applied.

CHAIR - So, we don't know the actual wage settlement outcomes for this year - you don't know what they are? Because publicly reported seem -

Mr ABETZ - Well, some are still unknown.

CHAIR - No, I'm asking about the ones that have been settled. Have they been settled at 2.5 or 3 per cent majority?

Mr ABETZ - Well as I understand it, and I'll be corrected 3 and 2.75?

Mr SWAIN - 3.3, 2.75

Mr ABETZ - Oh, 3.3, 2.75.

Mr SWAIN - Yes, and then there are some different structural adjustments in, and allowances in the agreement basis.

CHAIR - I'm just focusing on the headline, you know, percentage change because that does leave a gap, they're certainly above 2.5, is what you've just confirmed. So, this implies that agencies will face an unfunded wage impost and it's a bit hard to know how much, probably \$60 to 80 million across the forward Estimates potentially, but I don't know, I'm just asking the question.

Mr ABETZ - And I can't confirm that estimate, I'm sorry.

Mr SWAIN - I was just going to say that. I mean, what agencies should be doing is what I articulated before, which is, have a detailed estimate of where you think you're going to land on your labour expense and take that into account in your recruitment.

CHAIR - How many additional FTE do you think this could mean that the agencies are going to have to share to absorb this shortfall?

Mr ABETZ - That will vary by each agency, I would suspect, and you would need to ask each of those agencies that they can potentially make savings elsewhere not to impact should they consider it necessary and appropriate not to impact their head count.

CHAIR - It's a little bit hard for a department like health, which has some higher health inflation costs than general inflation and supplies and consumables as well as salaries. Salaries are obviously their biggest cost but supplies and consumables reductions. You have still the same number of people fronting up at hospitals and requiring the services delivered under that. Where else can they cut?

Mr ABETZ - Well, look, I don't want to talk on behalf of the health department. I understand there will be some focus in relation to locum, if the terms correct, locum nurses and agency nurses and locum doctors. I leave that to the health department.

CHAIR - That has been a focus for a very long time. Treasurer, major structural change in the public sector is well documented, causing significant short-term productivity losses. What provision has been made in the forward Estimates for reduced productivity during this transition period?

Mr ABETZ - I'm not sure I would necessarily agree there would be productivity losses as a result of the machinery of government changes, but I haven't lived through that.

In the last couple of years, have there been any other?

Mr SWAIN - Small ones.

Mr ABETZ - Yes, very small ones. I'm unable to provide you with a commentary on that.

CHAIR - On the non-salary cost for agencies, they've been indexed at 2 per cent in the forward Estimates, yet the Budget's own economic parameters show CPI running at 4.5 per cent this year and 3.5 per cent next year.

Can you explain why there's such a large gap between an inflation assumption used in the economic chapter and these used to fund agency operating costs?

Mr ABETZ - Again, the bottom line. I think everybody is agreed from the ratings agencies, why we went to an early election, et cetera, that we have to live within our means. We have to have a sustainable budget. Unless we set these figures, then agencies will continue to spend. What we have to do is rein in that expenditure and will it be a difficult task, Chair? Of course it will be. We don't underestimate it, but the various departments will need to live within the parameters that have been set.

CHAIR - The budget papers are contrary to what you're just saying. The budget papers say 4.5 per cent CPI and you're only allowing a 2 per cent increase.

If you look at agencies such as police, ambulance, fire, hospitals, they all face fuel, electricity and consumable costs rising at CPI or above, noting that health often has higher than CPI cost increases.

Which agencies have been asked to resolve the difference between the 2 per cent indexation and actual cost increases which they can't avoid? What's the aggregate impost across the general government?

Mr ABETZ - The aggregate impost I'm not sure. In relation to each agency it depends on the total figure allocated to them that will determine what the gap is and what they need to focus on to balance their books and make their element of the Budget sustainable.

It is the sustainability of each individual section of the Budget which will make the total Budget ultimately sustainable.

CHAIR - We are saying that health will still be able to buy the necessary medical equipment. Police will still be able to fuel their cars up. Ambulance won't have to meet people halfway.

Is that what you're saying? Because these are unavoidable costs and we've seen the cost pressures increasing and you're projecting a much lower percentage of cost increases than what your CPI shows.

Mr SWAIN - Dean might want to talk about the CPI from the economic side, but the indexation across the Budget is a policy call for government. Effectively, it is saying that agencies will need to try to achieve savings in the quantity of items that they're buying if they can't offset the mismatch in the indexation to actual CPI. That's what it's saying.

CHAIR - What does that mean in a place like health, then? Not as many dressings? You're not going to buy as many needles?

Mr SWAIN - We're also trying to achieve better outcomes when you go to tender next time. Again, I'd come back to the analogy of business. Most businesses don't get to pass on all their costs. This is working out what the Budget can afford.

CHAIR - We have a universal healthcare system where you can't say, 'Actually, no, we've run out of dressings and needles today. You will have to come back tomorrow.'

Mr ABETZ - That is where the agencies will have to determine what their priorities are in relation to the frontline. As a government, we've been pretty clear on what we are expecting from the various agencies that the frontline - without boring you too much - in my budget summing up speech I was able to refer to about a one-and-a-half-page letter from a retired surgeon who told me I was absolutely spot on in talking about the back office in the health department - that there was a lot of savings to be made there. Just recently -

CHAIR - Why haven't they been made already?

Mr ABETZ - That is a question that I cannot answer, but what's the counter to that? Surely, it should then be welcome we are now focusing on that to provide the savings needed to ensure we have a balanced budget, and we focus the health budget on service delivery rather than on the backroom.

Mr SWAIN - I've just been reminded that surgical medical supplies are actually indexed at 3.5 per cent, not 2 per cent as other non-wage costs.

CHAIR - It's still lower than the CPI though, and lower than the headline rate of inflation for health.

Mr SWAIN - Yes. I was just trying to correct my factual -

CHAIR - You're trying to correct the record, yes. But it's still lower than what the actual costs are.

Ms O'CONNOR - Where's the accountability? We see in the Auditor-General's report that the Public Accounts Committee asked him to do into the human resources information system in health. But \$47 million was spent by health in public funds. No modules were delivered. DPAC then went on and spent almost \$20 million more. Nothing to show for it and anticipated another \$53 million will be needed to complete the program. In the end, something that was going to cost \$22 million over three years is going to cost about \$120 million, and who knows when it will be delivered. Where's the accountability? Because a lot of this - and the questions at the Table have been about your expectation that agencies will meet the budget demands that have been made of them - but every year in this place and the other place we get the RAFS come through and the appropriation budget. There's no accountability really, is there? There's no way to make agencies make these savings that you demand of them.

Mr ABETZ - I hear what you say about what has happened in the past. I think we are all agreed from the credit rating agencies, to being sent to an early election, et cetera, that this cannot continue. That is why we have to -

CHAIR - Lack of fiscal discipline can't continue.

Mr ABETZ - They're your words, but I won't argue with them.

CHAIR - But you agree. Surely.

Mr ABETZ - We have to live within our means. As I said at one of the budget breakfasts, it was 21 May 2024 that I gave my first speech in parliament and I never anticipated that to the day exactly two years later I would be delivering a budget, trying to ensure we don't have deficit budgets and increased debt. I spoke about that in my very first speech in the House of Assembly and then two years later to the day, I was delivering a budget trying to implement that which I had said two years earlier. I fully understand the need for us to wean ourselves out of debt and that's why we have what I think is called a glide path or whatever to getting a sustainable outcome: first with a net operating balance, then a fiscal balance, et cetera, so we don't send too much of a shockwave through the economy, but yes, we do need a sense of discipline and determination that may not necessarily have been there previously.

Ms O'CONNOR - Have you, for example, rewritten the secretaries' performance agreements to require the secretary of each agency to meet the savings targets?

Mr ABETZ - We've got a smile now. David Killick's in the room with a photographer. Sorry, repeat the question. I distracted myself with Mr Killick's presence.

Ms O'CONNOR - So, one of the ways you can have some certainty over how an agency will be run is through the performance agreements with secretaries, so, the KPIs that are in there. Has each agency's secretary had something put in their performance agreement for this year that says, we expect you not to come back with a request for additional funding - we expect you to meet these efficiencies?

Mr ABETZ - Well, I personally rattle the cage on these matters from time to time, but ultimately it's for the Premier and the - I understand it's the Premier that appoints, is that right? Yes, all the heads of agency, and it's not the individual ministers, but all from Premier, so possibly that should be a question asked of the Premier, and Premier and Cabinet; that's unless I'm missing something, Gary?

Mr SWAIN - I think, Treasurer, that that's correct. There are requirements in the *State Service Act* and the code of conduct to operate within the law; so there's a general obligation on senior public servants.

Ms O'CONNOR - The budget's not the law, though. It's not a statute in the way we think about legislation, although it's a bill, I understand that.

CHAIR - The requirements of the *Charter of Budget Responsibility Act* have some expectations there, too.

Ms THOMAS - But no consequences: there's no consequences.

CHAIR - FMA has requirements, too.

Mr SWAIN - I was going say, but it also does depend on culture, both at the ministerial level and departmental level, you know, and what behaviour is deemed acceptable.

Ms O'CONNOR - The Auditor-General has certainly pointed to some cultural problems inside, for example, the health department. Anyway, thanks, Chair. I just wanted to check that.

Ms THOMAS - Can I go to - I want to talk about election commitments, and I note last year we had a question at this committee about how election commitments are reflected in the budget, and we asked for a list detailing what commitments were in and were not in the 2025-26 Interim Budget, and what we got in response to that question, taken on notice, was a link to the Liberal Party website, which did not answer the question, and was highly inappropriate, in my view. There was much discussion in the budget wrap-up week about that. So, I appreciate, and I thank Treasury officials and the government that the list of election commitments has been clearly set out now, in its own section in budget paper 4, from page 99, which shows that, over the forward Estimates, well, in 2026-27 and over the forward Estimates there's a total of over \$244 million to be spent on election commitments.

But there is no column, I note, for 2025-56 for an estimated outcome. So, given it was very difficult to obtain an answer as to how much election commitments were costing in 2025-26, and we didn't actually obtain an answer, can that figure of what they cost, or are estimated to cost in 2025-26 be provided, or taken on notice if it can't be provided now?

Mr SWAIN - So, the answer is that would be challenging. We would have to survey agencies to get specific information, because in the outputs in the previous Budget, they weren't identified as specifically, which I think you noted. So, yes, the information exists, but it's not readily available, is the short answer, really.

Ms THOMAS - So there's no consolidated figure of how much the government spent on election commitments in 2025-26, that's what you're telling me? You don't know, Treasurer, how much was spent on election commitments in this existing financial year we're in?

Ms O'CONNOR - That would be unusual. You usually do after an election.

Mr SWAIN - Well, it was a very unusual circumstance, because -

Mr ABETZ - Yes, we had the Interim Budget, and we - some of them -

CHAIR - But they're still washing through, though.

Mr ABETZ - Yes. Yes. Some of them were funded, if I recall, in the Interim Budget -

Mr SWAIN - Some, but not most.

Mr ABETZ - Most were deferred until this Budget.

Ms THOMAS - But there were also election commitments still washing through from 2024, the 2024 election.

Mr ABETZ - Yes. That there were.

Ms THOMAS - Surely Tasmanians should be able to see somewhere how much election commitments have cost -

CHAIR - Have cost the budget.

Ms THOMAS - each year. I would expect Treasury to be able to provide that information to the committee.

CHAIR - Are you able to take that on notice: how much the 2024 and 2025 election commitments have cost the state to date, and will, over the forward Estimates?

Ms THOMAS - Well, it's in there for the forward Estimates.

CHAIR - Is that all of them, though? Is that 2024? That's only 2025.

Ms THOMAS - Well, I would expect it would be - yes, total allocation for 2025 election commitments.

CHAIR - Yes.

Mr ABETZ - Let us take that on notice, because that which wasn't funded in the 2025-26 Budget -

CHAIR - The November one.

Mr ABETZ - is now in here. So, what you're wanting is what was in 2025-26, so you've got the full picture; is that right?

Ms THOMAS - Well, the estimated outcome for 2025-26, or by the time we get the answer it will probably be nearly the October outcome.

Mr ABETZ - Yes. Be nearly October, I think, yes, then we will get the actuals.

Mr SWAIN - Through you, Treasurer: it is a matter for the committee, but I will just note that is a very significant piece of work. In terms of order of magnitude, I think there's been discussions previously about the cost of election escalating through time. The 2024 election, if I've got this correct, was, I think, 1.4 billion; so, the order of magnitude of these costs is significantly reduced. This is identifying 200 and - I'm just looking for the number - I think it's 56.

CHAIR - So, can we get the estimated outcome at least for the 2025 election commitments for the current year we're in?

Mr SWAIN - I'm saying it's possible, it's just a great deal of work. We would have to survey every agency and, say, extract from every one of your outputs that proportion -

CHAIR - But you've got them all there. You've got them in the forward Estimates.

Ms O'CONNOR - Don't they go to Treasury for costings?

Mr SWAIN - Yes, but we don't have them for -

Mr CRAIGIE - They're the election commitments funded in this Budget: not election commitments funded in prior budgets. Once an election commitment is funded and it's allocated to an agency, it goes into an output. At the budget information management system (BIMS) we have output level data to go beyond outputs -

CHAIR - So, the BIMS can give us that information?

Mr CRAIGIE - No.

Mr ABETZ - No.

Mr CRAIGIE - BIMS has the information by output; we would have to survey agencies to give us the breakdown of the election commitments they were allocated and what's been spent to date. It's -

Ms THOMAS - I'm sure agencies would have that information quite readily at hand.

CHAIR - Well, if you had put it in the budget papers for the out-years, it seems odd that you can't produce it for the - you're going to have to report it somewhere.

Mr SWAIN - Well, sorry, this was a change -

Mr CRAIGIE - It's identifiable in this Budget because it's a new allocation in this Budget; but as you're aware, the policy and parameter statement looks at new initiatives between budget to budget. It starts with the base of last year's Budget. So, expenditure that is allocated in prior year budgets is not separately monitored and tracked in this year's Budget, and we lose traction of the detail because we don't track all the sub-output allocations and elements across time; we just monitor the output in the budget management system.

Ms THOMAS - Treasurer, is it something that Cabinet considers, how much have we spent on election commitments?

Ms O'CONNOR - You'd hope so.

CHAIR - It'd be helpful to know the answer to that, like how much is the 2025 election costing in new commitments?

Ms THOMAS - Well, yes. There's a figure for \$1.4 billion for 2024 election, it's a significant amount of money.

CHAIR - I think it is less, according to what was recorded.

Mr SWAIN - Well, quantum they've left, but I would imagine that agencies are talking to their ministers through their regular weekly meetings and other meetings about how election commitments are progressing, but the budget process is tracking against outputs, which by this time they're subsumed into.

Ms THOMAS - So, given all the cuts that need to be found across agencies, Treasurer, has the Cabinet considered whether any more election commitments are cut and any more promises are broken? I mean, there have been a number of broken promises across different policy settings. What about costly election commitments?

Mr ABETZ - Look, we won't engage on that. We could be here all day, but suffice to say -

CHAIR - What, the number of broken promises?

Mr ABETZ - But suffice to say, in relation to the expenditures, as I understand it, all those policy commitments have been honoured or will be honoured.

Ms THOMAS - Given you're expecting agencies to find savings, do you think it's reasonable for Cabinet to consider whether there's any savings that can be made by analysing these election commitments and seeing whether they actually align with government agency policy and strategy?

Mr ABETZ - A government agency policy - these agencies provide us with advice that we actually as a government, right, wrong or indifferent, then make the decisions. So, it stands to reason that, from time to time, advice might be different to that which is decided.

Ms THOMAS - Okay, so aside from that, has Cabinet considered or will Cabinet consider where there's any election commitments that the government simply can't afford to honour?

Mr ABETZ - What Cabinet may or may not decide, I'm not going to venture into.

Ms THOMAS - But, as Treasurer, do you think that there's a responsibility for you as Treasurer to actually scrutinise the election commitments that were made and say, can we actually afford to do this? That's what you're asking agencies to do.

Mr ABETZ - All of those are sort of processes that I assume every government goes through, but we are determined to deliver on those policies.

Ms THOMAS - So, it's not a conversation that you will have, it's not a task you'll undertake -

Mr ABETZ - No.

Ms THOMAS - to actually go through those election commitments, even though you're asking agencies to find savings?

Mr ABETZ - That's right because we, ultimately, decide as a government.

CHAIR - Just with regard to the machinery of government changes, they're described on page 86 of budget paper 1 and identify substantial savings from machinery government changes, but they've not identified where they will come from. Can you provide a breakdown of specific savings that have been included from which agencies in which years?

Mr SWAIN - The machinery of government changes, through your Treasurer, are being worked through as we speak. The discussions with Treasury today about how that can be operationalised is to transfer the outputs as they stand with the agency - if you like the existing agency going to the new agency - that those outputs will just transfer as they are. In some cases that will work better than others and there might be some adjustments that are made in year through the normal FMA architecture and potentially Treasurer's Reserve, but the full impacts of the MoGs I'm expecting to be a major consideration in next year's budget.

CHAIR - Which we look forward to.

Homes Tasmania is expected to deliver efficiency savings, according to this section, as part of its amalgamation into Building Tasmania, yet Homes Tasmania's debt is excluded from the general government sector figures. Can you confirm, Treasurer, what those efficiency savings are?

Mr ABETZ - No, I can't and, again with the GGS, that Homes Tasmania, that was from a point in time of the Budget settling the figures, but it stands to reason that in next year's Budget that debt transferred will be in the GGS.

Mr SWAIN - Sorry, I think this is - I'm sorry Treasurer.

Mr ABETZ - No, please, you can explain it better than I can I'm sure.

Mr SWAIN - Well, no, I was just going to add to that that the debt will transfer and will become GGS debt, so there will have to be -

CHAIR - At some stage, when?

Mr SWAIN - When Homes Tasmania comes in.

CHAIR - So it's not there at the moment.

Mr SWAIN - No.

CHAIR - They've got \$720 million that's not there now?

Mr SWAIN - No, but it - that's right, but it will come in and then there will be an apples with apples comparison challenge, if you like, with this year's budget's position on debt, so that'll change the debt position. But, the statement in the budget papers around efficiencies and Homes Tas - it is an articulation of intent that Homes Tas, once it's back into Building Tasmania, will have to contribute to efficiency.

CHAIR - I'll ask Mr Vincent about that. I'd just like to focus on the Treasury matter at hand.

Mr SWAIN - Well, sorry Chair, I was just trying to explain why it's not meant to be - the debt can't be moved now because the machinery of government change hasn't happened, but there is an intent that there'll be an efficiency from Homes Tas is my understanding. I was just trying to clarify why the apparent disjoint exists.

CHAIR - Okay, so if Homes Tasmania debt is excluded from the general government sector in the budget papers, Treasurer, can you confirm that the Budget has not and won't reach peak debt, even on the government's terms, when you add that in? It's not there, so you've got to add it in, and so you're going to reach peak debt, well that's not even there. So, you've got to add in \$720 million of debt?

Mr ABETZ - Well, budgets are a point in time.

CHAIR - But you made the claim Treasurer, you're going reach peak debt when this is not even in there.

Mr ABETZ - From that point in time, at that time.

CHAIR - So it's just a fallacy. The forward Estimates are just a fallacy, because it's not there.

Ms THOMAS - They were.

Mr ABETZ - Look, I don't want to sort of reflect on treasurers everywhere, Liberal, Labor, whoever, whatever, but I dare say forward Estimates are hardly ever then replicated in the following year's budget -

CHAIR - But how can you say -

Mr ABETZ - That is why they are referred to as estimates. Things change and, when they change, that is then when it's put into the budget documentation

CHAIR - Well, this is known. This is a known change. It's been confirmed, we know this is going to hit the general government sector debt, okay, but it's not included. So, how can your numbers stack up in your claim that we'll reach peak debt at the date you say, and that we'll have a net operating balance when it's on the general government debt?

Mr ABETZ - Officially, at the time of the Budget, and as I understand that's what Treasury operates on, it is what is in place at the time. At the time. So, similarly, on the other side of the ledger with income forecasts, we weren't able to include what appears to be a GST uplift that's coming our way because -

Ms LOVELL - Have you reviewed those figures then, since those two things have happened? The figures on the budget.

Mr ABETZ - One continually reviews, but until they are as settled as they possibly can be, it's sort of hypothetical.

CHAIR - Does it change the expectation at all, those matters, in a material way?

Mr ABETZ - If they are delivered, then I dare say, every dollar in impacts things materially and every dollar out, or anticipated to go out, is a material change.

Ms LOVELL - So, having reviewed all of that now, what does that picture look like, in terms of what it looks like in the Budget that was published under that point in time, now we're

in a very different point in time. What information do you have for us about what that looks like now in the Budget and what it will look like in the coming years?

Mr SWAIN - So, as I discussed earlier, the machinery government decision came quite a way through the budget process. So we couldn't take it into account in terms of the numbers, but also, in many cases, there is more work to do to give certainty to timing. In next year's Budget, the government will, at a minimum, need to explain what the change means. So, that could be, if Homes Tasmania continues to progress the current agenda, it will, I would expect, take on some additional debt, and the government may want to reconcile that to what's in this Budget. But, it will be a new budget, so the government can also take a different policy position when it formulates its budget. So, I mean, just trying to - it wasn't possible to reflect the numbers, but not mentioning it in the Budget would also have been misleading.

Ms LOVELL - Understanding that, what information do you have now Treasurer around what you're expecting that to look like in next year's Budget?

Mr ABETZ - We haven't had any briefings on that at this stage.

CHAIR - I've just got one more on this line item before we go to the next. Just in terms, you've mentioned quite a bit Treasurer, the Budget being prepared before the full assessment for GST was known. So, the Budget, as you've said, is highly sensitive to GST revenue estimates, and I understand, I spoke about this across this Table prior to your time, uses its own forecast of GST revenue based on Commonwealth Treasury estimates of the GST pool and Treasury's own estimates of relativity developed from other state budgets. I understand that's how it's done. So, has Treasury changed its approach or methodology for developing GST estimates?

Mr BURGESS - No, I think our methodology aligns with what you just explained then. The key difference is that we forecast our relativity going forward, where the Commonwealth holds those relativities constant. So, that's a source of why you see differences between the Commonwealth budget numbers and the state budget numbers, but no, we haven't changed any methodology.

CHAIR - Treasurer, does Treasury have a framework for reviewing the key models used in revenue forecasting?

Mr BURGESS - Do you mean in relation to GST or state taxation as well?

CHAIR - GST, we're talking about the GST matter.

Mr BURGESS - We regularly review. We don't have a set program, if you like of review, but we regularly review our forecast relative to actuals. That's the best test to see whether or not before-

CHAIR - You do back cast it.

Mr BURGESS - No, we we look at the forecast compared to what the actual ends up being. It's one of our KPI's for the department. That's the best indicator of whether you're forecasting approaches efficient because you see that over time you will always have variations

from year to year. Really, the methodology at a broad level has been established for some time now and it holds up pretty well.

CHAIR - When was the methodology last reviewed?

Mr BURGESS - Formally I have to look at that.

CHAIR - Not recently then obviously.

Mr BURGESS - No, not recently.

CHAIR - Has the model been audited recently?

Mr BURGESS - No, it's an internal model.

Mr SWAIN - We have had some discussion internally that depending on the outcome of the current process that's underway looking at the GST that will be concluded by the end of the year, it may be time to have another look at the model. We haven't really delved into that yet. It depends a bit on what comes out of this current process.

There was a Commonwealth Grants process last year which changed some specific parameters including things like wage considerations or efficient considerations for Tasmania that I understand there might have been some major minor adjustments made. Depending on where this year's process goes, we will have to then consider whether the model needs further work or not.

Mr BURGESS - The key uncertainty with the model [inaudible] there's a lot of uncertainties there, but it is the relativity and particularly in relation to trying to forecast what the Commonwealth Grants Commission will decide as part of its five-year reviews. We certainly worked hard and we're hoping for an increase in that relativity but think the actual increase has exceeded our expectations.

CHAIR - I think the Treasurer said you look back and assess; do you do that annually for whether your forecast was actually fairly close to the mark?

Mr BURGESS - Yes, we do that across all the revenue lines, yes.

CHAIR - How was that tracked over the last five to 10 years.

Mr BURGESS - I'd say really quite well. I think our revenue performance in terms of forecasting has been very close to the line within 3 to 5 per cent is a rough ballpark but acknowledge there will be outliers that happen from year to year. Conveyance duty for instance, it's very hard to pick when the property market turns. We'd be working somewhere else, I suspect.

Mr ABETZ - The GST just generally is based on general economic activity around the country and if there is a downturn then will impact.

Mr BURGESS - Correct.

CHAIR - The secretary, Treasurer, did say who knows what the Productivity Commission is going to say. And if we get full horizontal fiscal legalisation restored - which we should, but in any event - whatever the the change is, assuming there will be some change otherwise, we're going to be having an awfully big black hole just over there, then will you review the model to be sure it is contemporary and meeting the confidence level we require?

Mr SWAIN - Yes, we would make a judgment depending on that change, but definitely we will be asking the question and checking. It's as you're alluding; it is such an important determinant of revenue for the state. We want to make sure the model is still valid. But I think I asked this question since when I actually arrived-

CHAIR - When was it last reviewed?

Mr SWAIN - No, I asked the question about the adequacy of revenue and particularly on the state taxation stuff, the accuracy has been 2 per cent or below and between sort of .5 per cent and 2 per cent of the time I've been here, that's on the state taxation.

CHAIR - That's all state taxation.

Mr SWAIN - Yes. Pretty accurate over time on that stuff. But there are obviously bits that are harder to predict and the revenue that comes in as, as I mentioned before, as capital for capital programs and same with equity from the Commonwealth is more lumpy and harder to predict.

Mr BURGESS - Coming back to the original question, and it was something the secretary just mentioned. Whenever there's a change in methodology or a change in the tax framework that automatically triggers us to review the forecasting approach.

CHAIR - That's all done internally, that review process.

Mr BURGESS - Correct.

CHAIR - Do you have it audited at all, the model?

Mr BURGESS - No, not that I'm aware of.

CHAIR - Do you think that would be an important thing to do from time to time?

Mr ABETZ - I suppose the test of the methodology was determined by the outcome 12 months later from a non-accountant.

Mr BURGESS - I'm not sure whether audit is the right process. We have sought external advice in the past about more complex modelling techniques that we use around payroll tax and the like. The situation where we've reached the edge of our technical capacity and we bring in some additional help to get us there. No, not a regular order program.

CHAIR - Move on to 1.3 which is shareholder advice on government businesses. Can I go to Sarah.

Ms LOVELL - Thank you Chair. Treasurer, can you confirm that the government's representative through the Department of Treasury and Finance voted in support of TasWater's corporate plan last year? And did Treasury hold any concerns with the corporate plan as it's presented?

Mr BURGESS - Yes, I understand that was correct. It's important to realise the role of the officer in that capacity is there to look at shareholder interest, which is a different hat, if you like, you might adopt if you're looking at from a broader economic public policy perspective.

Ms LOVELL - I have some more questions about that. Were there any concerns with the corporate plan as it was presented from the Treasurer's perspective?

Mr BURGESS - I'd have to check. My recollection is that from a shareholder perspective there weren't any concerns raised, but I would like to check.

Ms LOVELL - Thank you. Is the Treasurer briefed on that decision or that position at the time that the decision is taken by the official officer on that committee?

Mr BURGESS - Again, my understanding is that's a delegated authority; therefore, we wouldn't be seeking the Treasurer's permission beforehand through advice, but there could have been briefings that it was happening.

Ms LOVELL - Okay. Do you know if the Treasurer at the time was briefed?

Mr BURGESS - No, I do not recall that briefing. Again, I can check that.

Ms LOVELL - Thank you. Treasurer, who's your delegate? It's a delegated authority.

Mr ABETZ - It's Treasury doings.

Mr BURGESS - Jenny Cosgrove is a delegate.

Mr SWAIN - The Director of the Shareholder Policy Markets branch.

Ms LOVELL - Thank you. Does the government hold any kind of veto power over that corporate planning process? For example, does TasWater require government support for its corporate plan or can they make that decision, ignore the government position basically and and make that decision themselves?

Mr SWAIN - I would have to check the detail of the *Water and Sewerage Corporation Act* that it operates under in terms of what the powers would be.

Ms LOVELL - Are you happy to take that one on notice?

Mr ABETZ - Yes. We have like 10 per cent shareholding. A former mayor might know better than I do.

Mr SWAIN - Treasurer, if I could. This is actually pretty complicated. That role exists by virtue of the state's equity interests in the business which goes to the formulation as I understand it of the corporate plan. Once that plan is ultimately signed off by the board of the

business, it would still come into Treasury for advice, as with all the businesses and entities on the way to the shareholder minister and the Treasurer. Treasury wears more than one hat on this space.

Ms LOVELL - Treasurer, on 25 March 2026, I understand you voted for a motion in the House of Assembly which called on the government to withdraw your support for TasWater's Corporate Plan. Have you done that?

Mr ABETZ - I would need to check the record on that.

Ms LOVELL - You'll take that on notice as well?

Mr ABETZ - Yes.

Ms LOVELL - The motion also called on you to refuse to support any future corporate plan that included the proposed -

Mr ABETZ - Was that the draft plan or the corporate plan?

Ms LOVELL - I can read you the motion. It calls on the government to withdraw its support for the corporate plan that underpins these excessive price rises and refuse to support any future corporate plan that includes the proposed 50 per cent increased dividends to councils and requests TasWater overhauls its community engagement approach, so it accurately reflects the community's concerns about cost-of-living pressure.

Mr ABETZ - Right, and we put in a submission to the economic regulator on the TasWater draft request, indicating that we weren't supportive of it.

Ms LOVELL - No, this was, I understand, after that.

CHAIR - After the OTTER reviewed it and then - they've put out their pricing plan now, so this is subsequent to the release of the pricing plan. Sarah, is that what you're asking, to be clear?

Ms LOVELL - Yes, that's my understanding, yes.

Mr BURGESS - Through you, Treasurer, I think now that the regulator's process has concluded, TasWater will be revising its corporate plan to take into account what the actual price path will be, not what it was proposing earlier on. Again, that would be subject to the annual shareholder review process going forward.

Ms LOVELL - Treasurer, that motion also called on you to refuse to support any future corporate plan that included the proposed 50 per cent increase in dividends to TasWater. Will you do that?

Mr ABETZ - Well, that is for the future and that is what the parliament's called on to do.

Ms LOVELL - So, yes, you will do that?

Mr ABETZ - Yep.

Ms THOMAS - Treasurer, are you aware of how many government business enterprises have received direct equity injections, guarantees or loans or other forms of financial support from the state over the past five years? What is the quantum of this support in total?

Mr ABETZ - Look, that, I don't have in my back pocket. I assume no Treasury official would have that either over five years.

CHAIR - It could be extracted out of your bins, maybe.

Mr SWAIN - I've got some detail of who's got -

CHAIR - Take it on notice?

Mr CRAIGIE - The information on historical information would be contained in the companies' annual reports and the information on the Budget and forward Estimates looks forward, not backwards. We'd have to go back to annual reports to look backwards.

Mr ABETZ - Yes, five lots of them.

Mr SWAIN - I can say now who currently has guaranteed borrowing. There's Aurora, Homes Tasmania, Hydro Tasmania, TDR, Tas Irrigation, TasNetworks, TasPorts and TT-Line.

Ms THOMAS - It'd nearly be quicker to say which ones don't.

Mr SWAIN - Well, there's actually quite a - it might be better if we -

Ms THOMAS - Yeah, okay, thank you.

CHAIR - Do you want to take that on notice? Is that what you're saying?

Mr SWAIN - Well, it's a very easy question if it's who currently has guarantees.

Mr BURGESS - Sorry, could I ask for a clarification of the question? Were you actually asking which businesses have received equity?

Ms THOMAS - Yes.

Mr SWAIN - Oh, I beg your pardon.

Ms THOMAS - Well, both.

CHAIR - You were talking about the government guarantees and their borrowings, but the question also related to equity.

Ms THOMAS - Equity and how much in the last five years in equity injections has there been to the government businesses?

CHAIR - We're happy to put that on notice. I mean it's a big question to ask at the table.

Ms O'CONNOR - Guarantees and equity, can we have both? Can we have the information on which entities have had government guarantees and which have had equity injections?

CHAIR - Yes.

Ms THOMAS - Thank you. Is any Treasury assessment of whether GBEs may require future taxpayer support over the forward Estimates factored in to the forward Estimates, and how?

Mr SWAIN - Not for this time and place, but certainly TASCORP will maintain a view on the balance sheet capacity of all the businesses and which would need guarantees and which would need equity, depending on the ambition of project that they've got in mind. But, in terms of the budget process more broadly - and it's a matter for the Treasurer, so I don't want to prejudice that - but, as identified in the fiscal, the new fiscal strategy, there is a contemplation that capital inequity will be considered more on a 'what is the levels that can be afforded in aggregate,' so that will be a matter - that would translate to, the businesses will have requests and the government will have a maximum amount that it can support to achieve its budget aims and it would then have to rank those requests against that cap.

Ms THOMAS - Right. So, is an amount factored in then to the forward Estimates?

Mr SWAIN - The fiscal strategy identifies a max or target amount of \$1 billion for capital and equity. That's a yearly target. That's subject to change for the government, but the key concept is, if you go to - what's critical in this Budget and for rating agencies are peak debt and peak debt requires active management of three things: operating costs, capital costs and equity. So, if you don't have some basis for comparing and ranking equity requests from the businesses, you can't hit those - you can't operate in that way.

Ms THOMAS - Treasurer, are you confident that you will apply and adhere to what comes out of that ranking then, when it comes to future requests for equity injections from government businesses?

Mr ABETZ - Ultimately, these matters are decisions for government and Cabinet to determine, but that sort of information will inform our decision-making.

Mr SWAIN - Yes, I'm sorry. To be clear, the fiscal strategy as it's laid out - the new fiscal strategy has long-term objectives, medium-term measures, and targets which are subject to change year by year. Those targets are obviously set by the government, but they are transparently identified in the fiscal strategy, which will be reported on in the budget every year.

Ms THOMAS - Just to be clear, \$1 billion target amount annually in -

Mr SWAIN - That is what is in the fiscal strategy in this Budget. I'm just saying that the government has a choice about whether it remains the same number in future budgets, but it is an explicit - it's a stated target; it gives the parliament something to test against.

Ms THOMAS - How is that tested in this Budget then?

Mr SWAIN - Well, the fiscal strategy is new, so it's not - in this - what it's saying is there is an intent to manage all three of those components actively in the fiscal strategy, opex, capex, and equity.

Ms THOMAS - I do have one more question, but if someone wants to continue on.

CHAIR - Treasurer, in budget paper 1, on page 164, it refers to a \$113 million Commonwealth equity contribution to TasPorts. I understand the Commonwealth could not hold equity in TasPorts unless the Treasurer plans partial sale of TasPorts. Can you explain the correct accounting classification of that payment? Is it a grant, a loan, a payment for an asset, or something else?

Mr SWAIN - If I could, Treasurer. I think it comes in as a grant then the state is going to make an equity payment to the business.

CHAIR - So, the Commonwealth's not making an equity investment in the business? It was an error in the way it was written?

Mr SWAIN - It's ambiguous. It's a two-step process. It comes in as a grant and then it will be from the state an equity investment because, as you point out, the Commonwealth is not going to be a shareholder in TasPorts.

Ms O'CONNOR - A quick question: on the same page that the Chair was talking about before, 164, budget paper 1, TasNetworks has a total equity commitment that's required for its Marinus project from \$191 to 222 million. There's no mention in here of TasNetworks. What will be TasNetworks' capital costs to provide power to the stadium? Is it the government's expectation that those capital costs would be met from within TasNetworks' existing budget?

Mr ABETZ - That's really a question either for TasNetworks or for the Macquarie Point Development Corporation, which was later on -

Ms O'CONNOR - Are you a shareholder in TasNetworks?

Mr ABETZ - I am indeed.

Ms O'CONNOR - Okay. So, it's not a question under this output that's relevant to you - shareholder advice on government businesses?

Mr ABETZ - It's one of those things that we hear at Estimates as opposed to business enterprise scrutiny.

Ms O'CONNOR - Yes, that's right, but again -

Mr ABETZ - Under normal circumstances, I would then have the people from TasNetworks at the table who could inform, in relation to the detail that you were seeking, but Treasury, unfortunately, I don't think can.

Ms O'CONNOR - Well, what would be -

CHAIR - Maybe the minister for Energy could help you?

Ms O'CONNOR - Well, we will see him in the morning; but what would be, then, your expectation, as shareholder minister, about how TasNetworks funds - and they're required enabling works for the Macquarie Point stadium, we don't know what the cost of those enabling works will be but, as shareholder minister, what would your expectation be about how TasNetworks funds that enabling infrastructure?

Mr ABETZ - Look, I will need to follow up some advice on that but, as I understand it, any upgrade to the power supply there will be for the Macquarie Wharf development as well, and potentially, other city requirements. So, it won't be a one-off, as I understand it, just for the MPDC.

Ms O'CONNOR - Okay, can I just - sorry, Gary, did you want to add something?

Mr SWAIN - I was just going to say it's a complicated regulatory matter. There are tests around whether it's dedicated assets, in which case then it would be charged to the recipient of the power, or there's shared assets, in which case it's built into the regulated asset base and then smeared over the customer base.

Ms O'CONNOR - All the customers, yes.

Mr SWAIN - I don't have enough detail to know which - I don't know what solutions are being contemplated at that level of detail.

Ms O'CONNOR - So, that's not the sort of information that comes to the Treasurer; is that right? It's not something that's come up in your regular weekly briefings, Treasurer?

Mr ABETZ - Sorry, can you repeat that?

Ms O'CONNOR - This question of how TasNetworks might fund that enabling infrastructure hasn't come to you, as a shareholder minister; is that correct?

Mr ABETZ - To the best of my recollection, no, but anything that will relate specifically to the stadium or the development, might I add, of the total precinct, because the total precinct will include a lot of housing, et cetera, and so, the power supply and changes for the development of the precinct, not only stadium, will be something that the MPDC will need to consider as it develops the total precinct.

Ms O'CONNOR - Just finally checking here: is it the government's broad expectation that TasNetworks would fund that enabling infrastructure from within its existing cash reserves or existing budget?

Mr ABETZ - As I understand it, TasNetworks has - and I'm not across the full detail here - they have requirements that developers make a contribution to enhanced network requirements, if I recall correctly, and I would imagine -

Ms O'CONNOR - So, that would be like a Peter and Paul scenario, because MPDC would be required to pay TasNetworks some part of the cost of that electricity infrastructure?

Mr ABETZ - I am potentially anticipating that, but I don't want to sort of say that black and white on *Hansard* at this time.

Ms O'CONNOR - Okay.

Mr SWAIN - I mean the end recipient of the power will pay an opex charge. It will either all be in the opex or it will be a combination of opex and capex, and it's the interplay of sort of regulatory arrangements with commercial arrangements. So, it depends very much on the detail of the solution and what other customers are involved.

Ms THOMAS - Treasurer, I understand you're also a shareholder minister in Tasracing, and Treasury has a role in the Tasracing new funding deed. It's set to expire in 2029, so what is the status of the development of the new funding deed? Given the government's backflip on the greyhound industry, the other codes, Treasurer, are understandably nervous; they need to make investment decisions for business operations in 2029 and beyond now, but they have no confidence that the government will deliver on the commitment made by this parliament when it sold the TOTE in 2012 to continue funding Tasracing; so, can you confirm there will be a defunding deed for Tasracing from 2029, and beyond, and advise us when it will be finalised?

Mr ABETZ - Look, that's, I suppose, more for the actual portfolio minister, as opposed to myself, but Mr Burgess might be able to assist.

Ms THOMAS - Who's leading the development of the deed? Treasury?

Mr BURGESS - At the moment, the process is that there is a review being undertaken. So, that's being conducted by Treasury, and NRE, as the portfolio agency. That's doing some very thorough work into looking at the history of the industry, history of the funding arrangements, the economic activity undertaken in the industry, and what that means for the state and the regions, and also then looking forward at what conclusions you can draw from that to inform the development of new funding arrangements, and so we're intending to report to government by the end of August.

Ms THOMAS - Okay. When did that review commence?

Mr BURGESS - Good question. I think it was must have been around about October, November last year.

Ms THOMAS - Okay. So the Treasurer and shareholder minister, the Minister for Racing, as the two shareholder ministers, will receive a report -

Mr BURGESS - Yes.

Ms THOMAS - by the end of August?

Mr BURGESS - I'm sorry, yes. And the government issued terms of reference for the review.

Ms THOMAS - The government did issue terms of reference for the review? Are they publicly available?

Mr BURGESS - Not at this - I'd have to check that.

CHAIR - Can you provide a copy of them, regardless?

Mr ABETZ - Better take that on notice, but if we can, yes.

Ms THOMAS - Yes. So when it commenced and the terms of reference - and then after the government receives that report by the end of August, what's your expectation as to when the deed will be finalised?

Mr ABETZ - Look, that I don't know. I would have to take that on notice, but I suspect the Minister for Racing would have a better handle on that.

Ms THOMAS - Does Treasury have any expectation or understanding of when it will be finalised in terms of a project?

Mr ABETZ - I dare say it depends what the review tells us, as to what we have to consider and contemplate for the future of the sector, and so, yes, until we have that in hand, it would be difficult for us to give you a timeline.

Ms THOMAS - Do you understand the time pressures on the industry associated with the uncertainty?

Mr ABETZ - Absolutely, and uncertainty for anybody, no matter what aspects of our lives, is usually undesirable. We like certainty in our lives and governments are - well, I am - government is mindful of that. And just in answer to the member for Hobart, to make it absolutely clear: in relation to the power supply of the MPDC, it will depend on the solution developed.

Ms O'CONNOR - That's illuminating. Okay.

CHAIR - So, you've got all the answers you need there.

Mr ABETZ - I thought that would cover it off beautifully for you.

Mr SWAIN - Which is a much more succinct version of what I said, I think.

CHAIR - I don't want to interrupt you. Are you done with that line of question for now?

Ms THOMAS - I'd like some more certainty, but, clearly it doesn't exist. So it's very disappointing.

Mr ABETZ - I hope this hasn't activated further questions.

Ms O'CONNOR - Well, I'm just - I guess I'd just like to understand what the sort of timeframe is likely to be there, in terms of understanding what the solution will be, but maybe that's a question for the minister for Energy.

Mr ABETZ - I dare say TasNetworks will be seeking to work out, not only what the precinct's needs are, but Macquarie Point 6, and other city demands that might be dealt with at that time, so -

CHAIR - At GBEs as well, Cassy: mark it down.

Ms O'CONNOR - Yes, well, I've got to wait five months for that; it's a long time away.

CHAIR - Can I - Treasurer, I just want to go to your budget paper 1, in terms of your dividends chapter on page 154. From the income tax equivalent payments disclosed for Hydro Tasmania, it is possible to calculate the implied underlying pre-tax profit: approximately \$35.7 million pre-tax profit in 2025-26, rising to \$515 million by 2029-30; that's a 14-fold increase in four years. Last year's actual profit was close to zero, and this year's result is expected to be roughly half of what was budgeted; so, Treasurer, can you identify the specific, verifiable, commercial events that will drive that trajectory, and what independent assessment has Treasury obtained to confirm it's achievable, and that shows through the forward Estimates of Hydro Tasmania's dividends and tax equivalents?

Mr ABETZ - Is it the footnote that tells us about that? The increase in the Hydro dividends and taxation equivalent returns reflects improved access to mainland markets through the regulated Basslink interconnector and stronger wholesale market conditions, including increased price volatility associated with the anticipated exit of coal-fired generation from the National Electricity Market from 2028-29 onwards that is.

CHAIR - Treasurer then what is the forecast wholesale price trajectory that's been used and has Treasury stress-tested the dividend assumptions against scenarios where wholesale prices do not improve as forecast or where basically availability is constrained?

Mr SWAIN - I can start and Dean might have something to add. Certainly, through the whole-of-state business case work we did last year, we did review Hydro's modelling and broadly agreed with where they got to. We did test a number of different scenarios in that process. There wasn't an overlap completely of scenarios, because I think from memory Hydro had done 14 or 16 different scenarios, whereas the whole-of-state business case concentrated on three.

CHAIR - Which three departments did Treasury focus on?

Mr SWAIN - There were three in the whole-of-state business case, I'd have to remind myself. There was one that was effectively the base case from, I forgot the name of the document, the annual document that has the forward demand in.

Unknown person - ISP.

Mr SWAIN - The ISP, integrated system plan. Thank you. Look, I think I'd have to take that on notice, I'd just be guessing the details of those scenarios, Broadly, we did stress-test their pricing modelling at that time. We didn't get the same outcomes, but got similar outcomes, so I'm surprised by the results they have put forward through their input to the budget process, which is they they give a projection of their forward returns that's usually based on their corporate planning and other scenario analysis.

CHAIR - Treasurer, the Budget, as you've just read out in the footnote, the budget papers attribute the increase in Hydro's dividends and income tax equivalents to two factors:

1. Access to mainland markets through a regulated Basslink which starts on 1 July. I assume it's still going ahead.
2. Stronger wholesale prices following the coal exit.

The Minister for Energy Renewables advised us recently that two directional interregional settlement residue pools capture the proceeds of interstate trading and that none of those proceeds are directly received by Hydro Tasmania. That was his response to a question on notice.

Treasurer, can you explain the precise mechanisms by which Hydro profits are expected to increase from \$35.7 million to \$515 million on the stated basis of improved mainland market access if, on the minister's account, Hydro does not receive the pool proceeds directly.

Mr SWAIN - Sorry, if I could, it's a really complicated matter I think you would get more fulsome answers through scrutiny again, because you will need Hydro at the Table. In essence, they have to bid for interregional settlements. There's also an arrangement where some of that does impact TasNetworks' costs as well. It is a very complicated process, which is again the interplay of the commercial bidding behaviour of Hydro into a market and the rules around the dealing of interregional settlements, which is the difference between price outcomes in two regions.

CHAIR - If Hydro intends to profit by purchasing interregional sediment residue contracts at auction, that's how they will get their revenue. That's an operating cost. They have to pay to participate. Has the Budget modelled that cost in each of the year of forward Estimates of doing that? We just base it on what they say the profit is.

Mr SWAIN - No, because we're not picking up Hydro's or their costs and expenses. We're just picking up the outcomes in terms of dividends and tax equivalents.

CHAIR - Thank you. Treasurer, can you confirm when Marinus Link is expected to come online, and whether any of the profit projected in the 2029-30 forward Estimates is attributable to Marinus or not?

Mr ABETZ - That detail I'm not sure that's available.

CHAIR - Then is the \$550 million pre-tax profit figure based entirely on a regulated Basslink, or does it presume Marinus Link as well?

Mr BURGESS - My understanding is it is placed on Basslink.

CHAIR - So just Basslink?

Mr BURGESS - Yes, but the reason is there's a sort of step change in returns in that year around their assumptions on what's happening in the Victorian pool in particular, in terms of coal-fire generation.

Ms O'CONNOR - Coming offline. Hear, hear.

Mr SWAIN - It is possible they could forward sell contracts, but that would be shown as revenue in the year it accrues, I assume, so, yes, this should just be the Basslink impact.

CHAIR - Sorry, just go to another matter which is the public non financial corporations net debt target. We did mention it earlier: that was the Cethana project page 73, budget paper

1 states the target to reduce the PNFC net-debt by \$500 million, as per an agreement with a former member for Huon -

... has been achieved through the removal of debt funding for Hydro Tasmania's Cethana pumped hydro project

- from the forward Estimates. Treasurer, can you point exactly where in the 2025-26 budget the Cethana project debt included, because I can't find it in the Budget last year. Was it in the Budget last year?

Mr BURGESS - James will be able to help, but I imagine it would have been incorporated in the PNFC net debt.

Mr SWAIN - I think that's right.

Mr BURGESS - Whether it was separately listed or not, I'm not sure.

CHAIR - No it wasn't.

Mr SWAIN - I don't believe it was, no. We have thought about how to operationalise that commitment, and the practice that had been used previously was if one of the entities had identified in its corporate plan the intent of progressing a project, that it would flow through into the debt forecast. We've actually re-looked at that process as a consequence of this commitment. What that translated to was debt from projects with different levels of maturity who come into the budget process. We have now made it that if a project has to go through a business case assessment, it will be on the other side of that assessment. It becomes eligible to go into the budget. But in line with the commitment, which has seen Cethana come out to achieve the commitment for it to go back in, some other debt would need to come out.

The government has made a decision on Cethana, because it's such a significant project, it will have to go through the business case and there will be advice provided to the shareholders on that business case. But if it then goes in, the question would be what would need to come out.

CHAIR - Then, we will have to all have a very long memory for this. What you're saying to me is that the Fiscal Sustainability Report explicitly acknowledged that Cethana hadn't reached a financial investment decision, had not commenced form of procurement, and had costs and timing, there was insufficient certainty to include in the Budget. The FSR treated it as an unquantified risk, rather than a budgeted item. What you're saying is you've taken, Treasury, you've taken \$500 million out to meet a commitment. Is that meeting the commitment, or do we have to wait for, I'm not sure how long, until Cethana is approved or not, and then 500 million, or whatever the figure is, comes in, \$500 million of debt has to drop out from somewhere else. Is that what I'm being told here to meet that commitment?

Mr SWAIN - Relative to the situation as at the 2025-26 Budget.

CHAIR - I thought the commitment was that this Budget would have \$500 million of debt taken out, like real debt; this is not real debt because it was never there, in this year.

Mr SWAIN - Well, it was there last year and it's not there this year. I mean how you regard that is a matter for you.

CHAIR - All right. Any other questions on 1.3. We'll move then to Economic Policy and Advice. Did I miss one? Oh, sorry. 1.4, sorry.

Mr ABETZ - Government Property and Accommodation Services.

CHAIR - That's Cassy, sorry, I nearly jumped over you.

Ms O'CONNOR - Yes, thank you, Chair. That's okay.

Mr ABETZ - No wonder you wanted to jump over it.

Output Group 1

1.4 Government Property and Accommodation Services

Ms O'CONNOR - Thank you, Chair. Treasurer, I'm interested in the sale of government assets or public assets. My first question is, has there been a directive to agencies to identify property and assets for potential sale in the past year?

Mr CRAIGIE - I'm not aware of a specific directive, but there is a longstanding process where agencies, when they have surplus property, declare it as surplus and it goes through a process that may, ultimately, lead to it being sold. A good example would be a new school that's built in an area and an old school or an old police station of a regional town is no longer used and then that is declared as surplus. Ultimately, when it's declared as surplus, it comes to Treasury to manage the sale process. We first offer it to other agencies to see if there's a use within government. We also offer it to Homes Tasmania to see if they can use it for their purposes. If no agency has an interest in that property, we will then look at doing a public sale process.

Ms O'CONNOR - Okay. There's no pointer in the Budget to any asset sales, particularly. Do you have a list of assets or public properties that will be for sale in this budget year? If Treasury is managing those asset sales, there must be a list.

Mr CRAIGIE - At the moment, we have three properties that are actively marketed for sale on the market: a former police station in New Norfolk, a former teachers' residence in Zeehan, and vacant land in Penguin. We are currently going through the process on three other properties.

Ms O'CONNOR - Are you able to identify those properties today, James?

Mr CRAIGIE - Yes, there's some rural land at Rossarden, there is a former works depot at St Marys, and there is a former electricity distribution station in Launceston.

Ms O'CONNOR - In terms of Crown land sales, which obviously would primarily be a matter for the Minister for Parks, does Treasury oversee the sale of Crown lands, or disposal of Crown lands?

Mr CRAIGIE - The responsibility is split. Treasury tends to do the larger properties, but there are a number of smaller parcels that NRE would handle.

Ms O'CONNOR - Okay, and the John Street offices in Launceston - there's been talk over the years that the government would like to offload the John Street offices. Are they at the moment on the table for sale?

Mr ABETZ - There's an idea, but I'm not aware of it.

Ms O'CONNOR - Did you say, 'There's an idea?'

Mr ABETZ - There's an idea. Thanks for that. We'll note that as a Greens suggestion.

Ms O'CONNOR - Yes, yes, sure. No, it's been chatted about for a while.

Mr ABETZ - I think it has from memory, but I don't think - no, nothing has come across my desk since I've been Treasurer.

Ms O'CONNOR - Okay. The Treasury building - has Treasury identified that building as surplus to requirements?

Mr SWAIN - No. This came from a government request to look to effectively test repurposing the property. As I think you'd be aware, that's a process that has been considered previously.

Ms O'CONNOR - Unsuccessfully.

Mr SWAIN - Yes, so we're working through that process at the moment but, if you like, this is the coincidence in that it's Treasury that occupies the building and Treasury that has a functional leadership role in property, which would be the natural agent to look at a sale of this significance. So, it's just the two things coming together.

Ms O'CONNOR - Yes, well, it's a very significant public asset and heritage asset. It's also got a huge place in our cultural history, of course. What is the current view of the Treasurer, if I might ask, over whether that building should be sold or leased, noting that legislation has come into the House of Assembly, which creates Crown land title over different parts of that complex - which would seem to me, to be a precursor potentially to sale of this treasured asset?

Mr ABETZ - Look, the legislation is to create a title and, just for good bookkeeping, I think that's a good idea.

Ms O'CONNOR - So it's just a coincidence?

Mr ABETZ - Then, if you want to take the next step, and the government is exploring that -

Ms O'CONNOR - Selling it?

Mr ABETZ - Well, exploring as to what opportunities there may be to revitalise, get better value out of the building, et cetera. So, as I understand it, we are in a process that is

delicate that I can't talk about at the moment. And, if for example, the request would be that we just get \$1 return for it, chances are the government will say look, we've explored it, but things will remain -

Ms O'CONNOR - I mean that's a fanciful scenario.

Mr ABETZ - Of course it is, and that is why I used that. It really depends on what the market might be suggesting to us, as to how the property can be enhanced and what value we might be able to get from that property. So, until we are fully made aware of that, it's very difficult to say what the outcome may or may not be. But, in principle, if there is a what's a sufficient return, then that is something that will come under directive consideration.

Ms O'CONNOR - So, has the Valuer-General been asked to undertake a valuation on the Treasury building and associated buildings?

Mr CRAIGIE - Yes.

Ms O'CONNOR - Yes. And is that information publicly available, or do you believe that it would compromise your potential privatisation of it?

Mr CRAIGIE - Yeah, well. Look -

Unknown speaker - I think you might have answered your own question.

Ms O'CONNOR - I understand that, but I'd like it said by someone who knows.

Mr CRAIGIE - If I may, Treasurer. Yes, we would strongly advise the Treasurer not to release that information at the moment. The request for tender process just started at the end of April, so we're in the middle of the commercial phase, if you like.

Ms O'CONNOR - Okay. And in the Valuer-General's assessments of the Treasury Buildings Complex, are you confident, Treasurer, that the intangibles, or the intrinsic and heritage value of those buildings have been incorporated into an understanding of the value?

Mr ABETZ - I would not seek to do the Valuer-General's work for him, but one assumes the costs of maintaining those sorts of buildings would be part of the consideration, as well as the inherent value of being able to promote whatever might occur there as being, you know, the 'Old Treasury,' whatever. So, I assume the Valuer-General considers both those matters in coming to the determination.

Ms O'CONNOR - Okay. So, the Treasury complex is regarded as one of Tasmania's most significant heritage sites. What has Treasury informed potential tenderers, or those who tendered, about heritage protection obligations in the event of any sale or lease?

Mr SWAIN - So, through you, Treasurer, and James may add to this, what we have set up a data room which contains a range of information about the property, including its planning status and the reasons that it has that status. And I think that also goes to the history of continuous use in civil administration.

Mr CRAIGIE - I will just add to that that there is a comprehensive conservation management plan, several hundred pages long, which discusses at length the heritage values and history of the site that is a part.

Ms O'CONNOR - That is a publicly accessible document, isn't it? Because I've seen it. Yeah, that's right. Can I just get some clarity from you, Treasurer? If you've got a whole, you might have a whole suite of potential interest or tenderers in redeveloping the Treasury complex, but there may be no tenderer who offers a sufficient price or a good enough deal. Are you committed to not, sort of, I mean, first of all, we vehemently object to the privatisation of the Treasury building. But, are you committed to - not

Mr ABETZ - You surprise me.

Ms O'CONNOR - Well, it's a treasure, right? It's about more than the place, it's about its place in our history. Are you committed to not selling the state and the public interest short because you have this massive black hole you have to fill and so what's your benchmark? That's what I'm trying to get at. What is your threshold here for accepting some proposal.

Mr ABETZ - Well see if the Greens were to make it easier for us to deal with making budget sustainability something we can achieve.

Ms O'CONNOR - I have a copy of the alternative budget here for you if you want it, but I'm sure you've been through it.

Mr ABETZ - I have.

Ms O'CONNOR - All those revenue measures in there.

Mr ABETZ - It helped my stomach muscles as I had a bit of a chuckle.

Ms O'CONNOR - Did it, did you, right well we will have a look at next year's Budget and see if you picked up any of our good ideas, particularly on the revenue side.

CHAIR - Anyway, back to the question.

Mr ABETZ - Can I say that I was condemned for a terrible Budget in one green press release and then another one, I got commended for public transport.

CHAIR - The question was Treasurer, are we going to answer the question or have we got distracted.

Mr ABETZ - Yes, sorry we have been distracted, Chair.

Ms O'CONNOR - What's your threshold there?

Mr ABETZ - We will make that decision, but we're not interested in fire sales.

Ms THOMAS - During the 2025 Election, Treasurer, the Liberal government announced efficiencies of \$12 million would be achieved through proposed office leasing improvements.

How are you monitoring achievement of this target and how much has been saved through this policy today?

Do you have any updates, Treasurer on how that's progressing?

Mr SWAIN - This is the \$11.9 million in savings across marketing, comms, leasing and procurement. That was allocated to agencies and should be invested in outputs. It is allocated in agencies and again, in the budget tracking process that will be at the output level.

Ms THOMAS - These announcements are made and then how is there any accountability towards them? How is there any tracking done of whether that's actually achieved? Treasurer, I think it was you, well, actually I'm not sure. I thought it was you who announced it.

Mr ABETZ - No, I wasn't Treasurer in those days, but it was a government announcement, so I take responsibility for it. Alright, I was given one page number and now I'm being given another page number, so we will see what that one tells.

CHAIR - Hope they don't contradict too much then.

Mr ABETZ - No. The process to consolidate office and leasing arrangements across government has commenced with the aim of improving operational efficiency and supporting budget sustainability. This will support agencies to deliver their operational efficiencies included in the Budget. Now what specific leases have not been renewed or been renegotiated on - I'm not across that detail.

Mr SWAIN - In the procurement area, we are actually reviewing a number of the procurement arrangements, and I know that's an example so you know we can get there when we get there. There's some enhancements to that framework on the leasing front, there is a review going on of the major leasing. Obviously, the scenario if you like, that's in the Budget of reduced headcount. We think that we will be trying to not take on new leases and get maximum utilisation of the existing leases. The vacancy rate in existing leases has been low. I think it's historically been about 1.5 per cent. It's a little higher at the moment because of some changeover in arrangements to 2.5 per cent but expected to return down. The leases have been very actively managed, the leases that fall under the relevant Treasurer's Instruction by Treasury, then agencies themselves have additional leases which they will seek to consider when they're making decisions around headcount.

Ms THOMAS - In answer to my question, there's no clear understanding of how much is actually being saved through that commitment.

Mr SWAIN - Budget committee can always ask for additional detail, but I would just note that these are in the scheme of \$10 billion budget, very, very small savings.

Ms THOMAS - Last year, I think it was in last year's Estimates, Treasury said the state's office accommodation footprint was under ongoing review. Do you receive any updates, Treasurer, as to changes to the footprint given that this is a goal of the government?

Mr ABETZ - I'm not sure that I have received, I may well have received, but it would be spread, I assume, over the various departments and agencies.

Mr SWAIN - We don't have a regular reporting cycle, but when there are any matters of policy or significant changes in the operating environment, we would give advice to the Treasurer at that time.

Ms THOMAS - Okay, so it's thrown out as a commitment, but there's no way to track whether it's actually achieved or not?

Mr ABETZ - It is thrown out as a round number, and we then seek to achieve it through the various expiration of leases.

Mr SWAIN - And it's allocated. It's in outputs, then we're tracking into the outputs themselves.

Ms THOMAS - Okay, it just seems, how do we measure, how is there accountability.

CHAIR - Where is the transparency around it?

Ms THOMAS - Again, common theme through the conversation today has been around how do we actually know whether these things are being achieved. Where's the transparency as the Chair just said. It's a bit frustrating, it's small fish, but every savings counts -

Mr ABETZ - It does.

Ms THOMAS - when there are ambitious budget targets, and no increase revenue measures, or very few. It's important that these things are able to be reported, and I just can't see how we get that information. Anyway, that's not a question, sorry Chair.

CHAIR - Any other questions on 1.4? If not, we will go to 1.5.

Output Group 1 - Financial and Resource Management Services

1.5 Government Procurement Services

Ms LOVELL - Treasurer, how many breaches of the Treasurer's Instructions around procurement services have been identified in this financial year?

Mr SWAIN - James is reminding me we don't police the Treasurer's Instruction per se. They are the responsibility of the accountable authority. The accountable authority should have processes in place, in terms of their own executive management reporting, and/or their own internal audit that supplement any auditing that's done by the Auditor-General. Treasury sets the framework, and also has a role when there's been a complaint that is reviewed by the agency that is further challenged, but generally doesn't have a compliance right.

Ms LOVELL - Who does have a compliance role?

Mr SWAIN - The accountable authority. Under the *Financial Management Act*, the accountable authority is responsible for the efficient use of financial and other resources, so from that stems it's accountable for in this case.

Ms LOVELL - Who holds them accountable? The accountable authority is accountable, how do they?

Mr SWAIN - Their own management team, their internal audit functions, and the external review of the Auditor-General. When Treasury gets feedback, for example, I recently had a conversation with the Auditor-General on some of the Treasurer's Instructions, we might then look if we think there's a systemic problem, as opposed to an individual non-compliance, like there's a problem with the design, we will have a look at the framework.

Ms LOVELL - You said you've recently had conversations with the Auditor-General; were the Treasurer's Instructions to do with procurement part of that conversation?

Mr SWAIN - Not so much the Treasurer's Instructions, but more the, oh it was partly yes, it came up, but it was really on some individual procurement activity.

Ms LOVELL - Have there been some issues identified -

Mr SWAIN - Yeah, I mean there's a huge amount that's of government expenditure that's under procurement. So not surprising.

Ms LOVELL - And you mentioned also that when you have complaints, or when there are complaints that are escalated, they might come to Treasury. Have you had any of those complaints in the last financial year?

Mr SWAIN - I don't think so. I would have to check on that.

Ms LOVELL - Okay. Can you tell us how many procurements have been made across the public service for amounts less than \$100,000 this financial year?

Mr SWAIN - Sorry?

Ms LOVELL - How many procurements have there been of amounts less than \$100,000 in the last financial year?

Mr SWAIN - For Treasury or for the whole service?

Ms LOVELL - No, across the public service. You don't have it here; do you have it anywhere? Is it information that you collect at all?

Mr ABETZ - I wouldn't have thought so. That's each individual agency I would have imagined.

Ms LOVELL - Are you aware of any entities that have received more than one procurement under \$100,000 per agency? Is there any reporting on that at all?

Mr SWAIN - There is public reporting through the tender's website, and I think that's for amount for tenders above \$100,000.

Ms LOVELL - Yes, so it's below \$100,000 is what I was asking.

Mr SWAIN - Oh, below, no I don't believe there is, but that should be picked up in the annual reports of entities, I think, of each agency.

Ms THOMAS - Contracts below \$100,000 are reported on the website.

Ms LOVELL - Are they?

Ms THOMAS - Yes, I've got a question about it.

Ms LOVELL - Treasurer, I had some questions about the procurement process for the TasInsure consultant. I understand the consultant was awarded the work just under the \$100,000 threshold. We've also been told that there have been some other consulting services procured as part of the work to assess the merits of TasInsure. Can you explain what the other work was and who undertook that work?

Mr SWAIN - Sorry, Dean might be best to answer that one, but could I just correct the record on the reporting? Sorry, you're quite right, it's \$50,000.

Ms THOMAS - Above \$50,000 and below \$100,000 or just above \$50,000?

Mr SWAIN - It's above \$50,000.

Mr ABETZ - I can indicate that yes, Mr Trowbridge was initially engaged for up to \$100,000 and then following receipt and consideration of his assessment, he was engaged to provide further advice to support development of the TasInsure implementation pathway and provide advice as required as the government leads to implementation. That subsequent engagement was undertaken and that is in another department, namely DPAC, for \$48,000 and was executed on 1 May 2026 and this additional contract was delivered as part of the \$4.2 million in the Budget.

Ms LOVELL - So, there was just under \$100,000 initially and then there's been a further procurement of \$48,000 through DPAC.

Mr ABETZ - Yes, which will be paid for.

Ms LOVELL - I have one more on that one. Treasurer, I understand Treasury has paid a consultant \$99,000 to analyse and provide a report on the government's progress in delivering its fiscal strategy in the 2026-27 Budget. Why has that been outsourced to a consultant? Is Treasury not capable of conducting that sort of?

CHAIR - We did ask that one earlier.

Mr SWAIN - Chair, if I could, I've just been advised that agencies report to Treasurer at the end of each financial year on procurement complaints and in 2024-25 there were two complaints reported.

Ms LOVELL - Are you able to provide any information about which agency that was through or what the nature of the complaints was?

Mr SWAIN - We'll have to take that on notice.

CHAIR - With the contracts for goods and services less than \$100,000, on the website, it's easy to see, there's about 120, if not more individual contracts for the Bluegum project in Health. Does that concern you at all, Treasurer? And then they're basically repeat, repeat, repeat, if you go look on your website.

Ms THOMAS - Might I add, multiple to the same contractors.

CHAIR - Yes, it looks like they are being signed up for contracts less than \$100,000 and then just renewed, renewed, renewed.

Ms THOMAS - Three months at a time.

Ms O'CONNOR - A favoured contractor?

Ms THOMAS - Contractors.

Mr ABETZ - I'm not aware of the details, so I couldn't provide any commentary on that.

CHAIR - Would that concern you, Treasurer at all?

Mr ABETZ - That depends on what the difference in the dates are and whether they are specifically different contracts or whether it's an extension of - and I don't know how many of those individual contracts there have been, so until I'm across the details of that -

CHAIR - There's 120, or 121 I counted, on this list for the Bluegum project in Health. We've seen the debacle that was the HRIS and other digital programs rolled out in Health. This is another one in Health. We're seeing a short-term contract after short-term contract to fit below \$100,000. Why wouldn't you expect this sort of expenditure to go to a public tender?

Mr ABETZ - It's an assertion that you make that it was to fit under the \$100,000. I'm not qualified to comment on that. I dare say these are appropriate questions for Health to answer as to what each individual contract related to and whether it was to get under the \$100,000 threshold as you assert or whether they were different areas, different -

CHAIR - We will follow it up with health, but surely as a tender process here, the contract award - wouldn't Treasury at least keep an eye on this?

Mr SWAIN - This is an example of an issue that was raised by the Auditor-General. We have just undertaken to give it some consideration, but we have yet to provide any advice to the Treasurer on this matter.

CHAIR - What's the timeline for giving advice? It's pretty stark.

Mr SWAIN - Well, in the first instance, the Treasurer's quite correct, it's a matter for Health and the Health minister. We'll have a think about the framework, but as I said, we're not anticipating moving into a compliance role because we would need a lot more people if we did and we don't have directive authority over each agency in that regard anyway.

CHAIR - Whose responsibility is this, then? If we're seeing repeat contracts for less than \$100,000 to deliver a fairly major project that doesn't require going out to public tender.

Mr SWAIN - Well, accountable authorities are charged with complying with the Treasurer's Instruction.

CHAIR - So, the secretary of Health, we're talking about?

Mr SWAIN - The department of Health and the minister would have to talk to the detail of those outcomes.

CHAIR - Well, that'll be asked, but Treasury will look at this now?

Mr SWAIN - The Auditor-General's raised this as matter of some concern to him, but this is a very recent conversation and I haven't briefed the Treasurer on this matter in any way.

Ms O'CONNOR - Quick one, slightly different. Treasurer, as you know, fuel prices are soaring. There's a question mark globally, but also nationally, over fuel reserves. There's no sign from the Middle East of any early resolution of that illegal war. One thing that you are able to do as Treasurer is to issue Treasurer's Instructions. I'm wondering if you ever considered issuing a Treasurer's Instruction as it relates to the procurement of vehicles for the government fleet, noting that it is the government vehicles that seed the vehicle fleet broadly in Tasmania through second-hand car sales, and whether you would consider the sensible move - whatever your position is on fossil-fuel energy - of directing agencies to procure hybrid or electric vehicles? So we're not dealing with a whole lot of potentially stranded assets or assets that people may purchase through Pickles, for example, and, as fuel prices go up, not be able to afford to run.

Mr SWAIN - The government fleet and the fuel contractors are managed through Treasury, but that provides, if you like, access to reduced fuel costs, so bulk-purchased fuel, and in the case of vehicles and approved list of vehicles, it doesn't mandate a decision on agencies.

Ms O'CONNOR - No, I understand that. You and I have been around government and we understand also that when premier Bartlett, during those times, that he and Lara Giddings or Michael Aird, whoever was the treasurer at the time, had a procurement policy for the government fleet that required low-emissions vehicles to be purchased. Isn't that something that would be sensible for government to do? It'll bring your own fuel costs down. I wouldn't have thought it was that difficult to do.

CHAIR - There could be a budget saving there.

Ms O'CONNOR - A budget saving - well, it would be.

Mr SWAIN - Through you, Treasurer: I think James can answer this one.

Mr CRAIGIE - So, by fuel type, 31 per cent of the government fleet is hybrid at the moment, and if I put FEV and EV in the same category, another 2.7 per cent. So there has been

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Ms O'CONNOR - So getting up to how much?

Mr CRAIGIE - 31 per cent in hybrids, 1.3 in FEVs, and 1.4 in EV. So there has been a shift towards fuel efficiency.

Ms O'CONNOR - Do you think it's something, Treasurer, that would benefit from a bit more direction from you?

Mr ABETZ - Look, let's see what happens in the Middle East. There have, in the past, been issues of resale value of electric vehicles. All those matters will be taken into account to ensure we get the best possible deal for the Tasmanian taxpayer.

Ms O'CONNOR - I guess, though, as someone who's got an eye to the future, hopefully, you might see an opportunity there in accelerating the transition of the government fleet towards lower-fuel-use vehicles.

Mr ABETZ - Definitely that is something that, I think, has been pursued by government of all persuasions, because if we can run our cars cheaper, then that is a saving for our taxpayers, and, if it still gets our personnel from point A to point B, then the purpose of having these vehicles is achieved, and so we try to do that as cheaply as possible.

Ms O'CONNOR - Well, you might accept that Tasmania, perhaps of all jurisdictions, is slightly more exposed here, because we're so dependent on imported fuel.

Mr ABETZ - Well, I'm thinking a lot of Australia is, in fact; but let's see it with a focus on Tasmania. There's no doubt we are very much reliant on imported fuel, and that is why having greater fuel storages in our state, I think, makes very good sense as well.

Ms O'CONNOR - Well, I mean, it's a bit of a 'yes, and', isn't it, because the fuel question is going to - I mean, there's no way that petrol is going to get cheaper over time, and I would just not like to think that an ideological position that you had about clean energy -

Mr ABETZ - A Green accusing me of an ideological position: well, there you go.

CHAIR - Let's not play the - Clare has got a question.

Ms O'CONNOR - Well, you know, we are driven by science, of course, but anyway -

Mr ABETZ - Of course. Of course.

CHAIR - Is there another question, Cassy?

Ms O'CONNOR - Yes. I would just like to know, Treasurer, that the only - you don't see the only solution to fuel prices and uncertainty over fuel is to increase our fuel storage, because I wouldn't have thought that was even a medium-term outlook.

Mr ABETZ - Look, having an increased fuel storage has been something that our nation has not genuinely grappled with and, if I might say, under Coalition and Labor governments in Canberra. In recent times I think we've now got a greater fuel storage, but that happens to be in the United States.

CHAIR - This is off the track of government procurement. If we could just move on. Clare's got a question on this matter.

Ms GLADE-WRIGHT - I just wanted to know if you can provide a quick update on the transition to electric vehicles initiative, like how's it -

Mr ABETZ - Look, some of those figures, I think, were read out, so funding. Yes, that's the same page. Excellent. Thank you. I'm on the right page, which is great to know there, member for Huon:

The anticipated expenditure profile for the Transition to Electric Vehicles Initiative has been revised and reprofiled across forward Estimates. Zero and low emission vehicles, which include battery-electric, plug-in hybrid electric and hybrid vehicles, accounted for one-third of the government fleet as at 31 March. Hybrid vehicles are not included in the Tasmanian government's 2030 EV target. The number of EVs in the government fleet has increased. The percentages are great.

I'm not sure what that means in actual count, but has increased 94.9 per cent between 30 June 2022 and March 2026. Here we go:

There were 76 EVs representing 2.7 per cent in the government fleet as at 31 March.

So, one assumes in very rough terms, the figures have doubled since June 2022 to March 2026, if I'm reading that correctly:

External factors have impacted agencies' ability to add EVs to their fleets since the introduction of the target. Initially this included the shortage of EVs in Australia, higher prices, insufficient charging infrastructure, and a lack of fit-for-purpose light commercial electric vehicles. Treasury is currently undertaking a procurement process to establish a panel of EV charging infrastructure suppliers for Tasmanian government agencies. It's anticipated that the panel will be available for agencies to access from mid-2026 -

is that still on track, who's in charge of that? Yes, I've just had confirmed that this is still on track, with evaluation currently underway.

CHAIR - Thank you. Okay, well, we will move on, if there's no other questions on that we will move on.

Output Group 2 - Economic and Fiscal Policy Advice

2.1 Economic Policy Advice

So, Treasurer, has any modelling been done on a downside scenario, under the modelling that's undertaken on this line item, where wage outcomes do exceed 2.5 per cent and non-salary CPI tracks at 4 per cent or above, and Hydro dividends come in lower than forecast? Has modelling been done to see what that might look like, if those things, those quite likely scenarios, play out?

Mr SWAIN - We haven't modelled different downside or upside scenarios in that way.

CHAIR - So, did you undertake any modelling of the impact on the Tasmanian economy of the fiscal consolidation required to meet the budget challenge in the manner proposed? The Fiscal Sustainability Report talked about some of these impacts, but have you, on this Budget - have you done modelling on the impact of what this Budget proposes?

Mr ABETZ - We are still anticipating 8 per cent growth over -

Mr SWAIN - We haven't specifically modelled that. I should say, where we can quantify risks, we generally have, wherever we can in the risk chapter. So we've got quantified and unquantified risk. So we've quantified the individual risk, but we haven't combined those into scenarios and modelled them. Just part of that is Treasury wouldn't have the resourcing to do that routinely, but in this cycle of budgets, where this is again, a compressed budget, we were very focused on producing the Budget.

CHAIR - Treasurer, I don't know if you've had a chance to review the Public Accounts Committee report on the Fiscal Stability Report, where we recommended that budget repair scenarios be modelled into practical terms, including workforce implications, revenue measures and capital deferment requirements associated with each scenario. We did ask the secretary, when he was across the Table during PAC hearings, as to why that hadn't been done; the answer was resourcing. So, have you had a chance to look at that recommendation? Will you ensure that that can be done so the people of Tasmania can actually see what the task looks like in real terms?

Mr ABETZ - Look, there have been a lot of questions this morning about modelling, et cetera, and, you know, we have a limited Treasury and not all the matters that we might want to have modelled are able to be modelled suitably, from a resource constraint. In an ideal world, all these things may well be modelled.

CHAIR - But the question is will you, with regard to that recommendation of the Public Accounts Committee, will you - what's your view on that?

Mr ABETZ - The government will undoubtedly respond to that, and other recommendations from -

CHAIR - So, you're not going to give us the heads-up?

Mr ABETZ - No, not at this stage, and in due course, when we give the government response, you will get the response.

CHAIR - Any other questions on 2.1?

Ms THOMAS - So in terms of the commentary in the budget papers about Tasmania's economy, Treasury states that Tasmania's 1 per cent economic growth in 2024-25 was driven by a strong public expenditure, while private investment declined. Do you accept that assessment, Treasurer, and what evidence do you have, or does the government have, that private investment confidence is actually strengthening?

Mr ABETZ - I'd be a brave Treasurer sitting here surrounded by Treasury officials to say that I disagree with their assessments, so I think you can take that as a given that I accept

what their assessment is. In relation to your second question, the NAB business confidence had us relatively high up on the leagues table for quite some time and the task of government is to try to encourage the private sector to continue to invest in Tasmania and to make it as conducive to invest and yet while business confidence has dropped across the country, Tasmania remains near the top of both measures.

We are second in the country for business conditions and third in the country for business confidence. We're still tracking relatively well, but it's one of those tasks for government where you never reach the finishing line because it's a constant matter for you to pursue but you never get to the finishing line.

Ms THOMAS - Treasury identifies government and community services as contributing 29 per cent of Tasmania's economy which is much higher than the national average. Do you regard that level of dependence on public sector activity in terms of stimulating the economy as desirable? And what target are you setting for private investment growth over the forward Estimates?

Mr ABETZ - The target is as much as we possibly can get. I'm not sure: is there any official percentage target, secretary?

Mr SWAIN - No, Treasurer, and the reason being that I think there are things that are in the state government's control and one of the things the state government can influence significantly is expectations, business expectations, and the positivity or otherwise, but it can't influence some other things and in particular interest rates which emanate from decisions from the Reserve Bank and of course very important to investment decisions.

Ms THOMAS - Are there any specific measures in this Budget that are intended to increase the contribution of other sectors that we have a lower than national average investment buy here, like finance, professional services, scientific and technical services, that contribute a lot less to the Tasmanian economy than they do nationally?

Mr ABETZ - Anything that we can attract and I'm not aware of those particular figures that you mentioned. I was hoping that in matters scientific with IMAS et cetera here we might have a bigger footprint than suggested by those figures, but I'm one of those, I suppose, greedy treasurers. I want all sectors to be increasing their footprint in the state, be it aquaculture, agriculture, mining, advanced manufacturing. Whatever we can get.

Ms THOMAS - What are you going to do to do that? Like it's one thing to want it, but what are you actually doing to attract it so that there's not so such a heavy reliance on government and community sectors to contribute to our economy.

Mr ABETZ - As I indicated, as the government, we would seek to encourage, and that is be it through the Office of Coordinator-General, be it with support for like we're doing at the moment with Liberty Bell Bay, providing some support for the wages to get a bidder on board. When we co-invest, be it for the conference centre in Launceston that the Premier announced by giving a bit of public support, you can then leverage a lot of private sector support. It's on a case-by-case basis.

Ms THOMAS - As you're a relatively new treasurer, do you see that there's opportunity for some sort of innovative thinking or doing something differently to attract new sectors here

rather than throwing money at private developers to stimulate the economy or continuing this significant capital spend to stimulate the economy? Do you accept that there's got to be something done differently at some point to change the trajectory?

Mr ABETZ - Always into innovative thinking and new considerations. So, always welcome that. Any ideas from that side of the table or from indeed anywhere else would be greatly appreciated by the government who would pursue investment in this state, which ultimately is about jobs growth, growing the pie, and as a result, having a more sustainable economy.

CHAIR - Unless there were any other questions on that, we'll break now for lunch and come back at 2 p.m. and we'll start with regulatory policy, 2.2.

The committee suspended from 1.15 p.m. to 2 p.m.

Output Group 2 - Economic and Fiscal Policy Advice

2.2 Regulatory Policy

Ms O'CONNOR - Treasurer, in January your government finally admitted it had ditched its commitment to a mandatory pre-commitment card for electronic gaming machines with loss limits.

Mr ABETZ - No.

Ms O'CONNOR - Oh you can correct me there if you like, I'm very happy for that, just let me get to the end of my little preamble and questions. So, the new policy includes developing a, quote:

New technology to allow for self-exclusion from venues.

Which is exactly what the gambling industry has been after. So, can you explain to the committee: have you started a process to engage a contractor to develop this new technology?

Mr ABETZ - In relation to your initial comment, the government remains committed to the policy, but on the basis of an all-of-country approach, all-of-Commonwealth approach.

Ms O'CONNOR - Okay.

Mr ABETZ - So in the interim, we have pursued the policy matters that I announced in relatively recent times, and we are seeking to finalise them.

Ms O'CONNOR - Okay, well, it's a common - with respect - cop-out for Tasmanian government ministers, of both persuasions, to say they're not going to embark on a reform because they're waiting for the rest of the country to lead. We were initially going to be the leader on mandatory pre-commitment, and we're not anymore. But the question is have you started a process to engage a contractor to develop this technology, and have you got any sort of timelines on when this tech, whatever it is, will be developed?

Mr ABETZ - Not quite, not quite. Mr Root might want to come to the table as well; he's in charge of that branch, which is called -

Mr ROOT - Revenue and Regulatory Services.

Mr ABETZ - Thank you very much for that. Mr Root is now at the table to assist. So, we are in the process of finalising what the government might be seeking, and then there will be the need to pursue.

CHAIR - So has the scope, is the scope in development, and can you give us any indication of what that scope might tell us about this new technology, and how it will roll out, and how it will be effective?

Mr ABETZ - Well, what we have said, in general terms, and it's still being finalised in relation to the detail, and it depends on what technology you are referring to, one that I have been very anxious to pursue is that, in one's moment of, I'll use the term 'grief', you can self-exclude immediately. Whereas in the past you had to ring a number, get a counselling appointment and then become excluded. My view is that if you've done your dough and you realise you've got a problem, chances are for the problem gambler, the best time is at the height of remorse, which is leaving the premise. Therefore having a QR code where you can say, 'Damn this,' take a picture of yourself and exclude yourself immediately would be a lot better and then once excluded, should you wish to go back, that's when you need the counselling, et cetera. Whereas in the past that has not been the case and it's always been, I must say in my view, that at the time of most remorse, I would imagine would be as you leave the premise with empty pockets.

Ms O'CONNOR - Sure. I mean, I guess with respect, Treasurer, I think you misunderstand the nature of addiction, and so if you've spoken to someone who has a gambling addiction, it is very, very difficult for someone, even in the depths of despair when they spend all their grocery money and the rent, to then acknowledge the problem and self-exclude because if you talk to an addict what they will often say is that tomorrow will be their day. So, this technology that you're flagging here relies very much on an individual addict in the depth of their despair to then self-exclude, which I hope you acknowledge would have limited impact.

Mr ABETZ - Well, time will tell, but I think you would agree that it may be more effective and help more people than after hours, ringing a number that won't answer, potentially waiting till the next morning, waiting for a counselling appointment, et cetera. I think this technology and immediacy will hopefully be a lot more beneficial for that cohort.

Ms O'CONNOR - Can I understand, just for some clarity here about this technology that you're talking about, so we're talking here about a potential, sort of, QR code self-exclusion process as the new technology. This is not the facial-recognition model that the industry is pushing for?

Mr ABETZ - That is why I asked about technologies because there are a number of, so that's to be excluded, then complemented with that there would be the facial-recognition technology which once you're excluded and you try to walk into a venue and each venue will need to have the cameras, the capacity to identify people coming in who are on the register.

Ms O'CONNOR - Okay, so a lot of responsibility placed on the individual at a point in time when they're feeling terrible about themselves and then on the industry which has a terrible track record of harm minimisation. Perhaps we can have an update from Mr Root about where we're at in the process of rolling out of the tender and this new tech in venues, is it possible to do that?

Mr ABETZ - Well the ministerial direction hasn't been finalised as yet, so we're not at that stage.

Ms O'CONNOR - And that's coming from you, that ministerial direction.

Mr ABETZ - Yes.

Ms O'CONNOR - Do you want to give us just a broad flavour of what it might have in it?

Mr ABETZ - Yes, look at that which we've already spoken about increasing by 75 per cent, the period in which venues need to be closed, so that, I think, is another substantial harm minimisation. Then the other aspect that we're looking at is the - given that people now walk around without cash in their pockets - as to how they can obtain cash for the purposes of, should they wish to gamble, and that venues can have ATMs, but with facial recognition with a \$400 limit on for a 24 hour period.

Ms O'CONNOR - So that's for people who've signed up to a sort of pre-commitment process or that's for everyone?

Mr ABETZ - Everybody.

Ms O'CONNOR - To be able to take \$400 out of an ATM in a venue in a 24-hour period. For people who walk in there, for example, with all of their week's earnings in their pocket.

Mr ABETZ - If they have cash, yes.

Ms O'CONNOR - Okay, that doesn't sound particularly strong to me, but anyway, when your government broke its promise to introduce a mandatory pre-commitment card, you said the government will continue to monitor progress interstate of the pre-commitment gaming card. Has any of this monitoring been undertaken and have you learned anything from it, apart from the inaction on this policy area everywhere.

Mr ABETZ - Thank you for that, but as I understand it, it hasn't been picked up anywhere else but Mr Root, you might have later information.

Ms O'CONNOR - That's mandatory pre-commitment.

Mr ROOT - Obviously, there's work underway in Victoria. We are a member of a national working group on play card gaming and pre-commitment that sits underneath a committee of regulators nationally, Australia and New Zealand. We do keep a close eye on what's happening elsewhere. But outside of the casinos that were required to implement mandatory play card gaming following the various royal commissions, there isn't a system out there similar to the one that was proposed in Tasmania.

Victoria obviously has their voluntary your play card looking to move to mandatory, then there will be one jurisdiction there.

Ms O'CONNOR - Just for clarity and Chair, I'm happy to move on up to this. I'm not fully across the Victorian model that's proposed, has the Victorian government committed to ultimately a mandatory pre-commitment card?

Mr ROOT - They're in trial period at the moment, I think.

Ms O'CONNOR - With a mandatory card?

Mr ROOT - With a mandatory card, yes.

Ms O'CONNOR - What a shame we're not showing the same leadership.

CHAIR - Did you need to add anything?

Mr ABETZ - No, it's in casinos already, I understand.

Mr ROOT - In Victoria. Yes, it's mandatory in the Crown there.

Ms GLADE-WRIGHT - Regarding the legislation review program, considering your ambitious budget cuts and specifically on the enforcement of agency overspending. I did a little bit of research in the lunch break, and I learned about the *Financial Management Act 2016*. It does not contain any strong punitive enforcement provisions against agencies that overspend, but I did find section 51 which requires agencies and officers to comply with Treasurer's instructions. Failure to comply would constitute a breach of statutory financial management obligations. But my question is, do you think we need to amend the legislation to ensure some stronger enforcement provisions?

Mr ABETZ - That's a policy decision, so that lands with me and what I will say is let me consider it.

Ms GLADE-WRIGHT - And you will let us know, obviously, what you decide?

Mr ABETZ - That I will.

CHAIR - On the legislative review process, the *Audit Act* being reviewed at the moment - where's that at?

Mr SWAIN - As we previously discussed, the then Treasurer committed to review in September 2024. The review has effectively now been completed. There's been some interaction along the way between Treasury, the Auditor-General and yourself as Chair of the PAC and the Treasurer and the Auditor-General as well. We have reviewed against the framework that auditors effectively have developed through their own institute of best practice.

There are a number of improvements to independence and administration through the draft act. I think it is back with me actually to give you some updated advice in relation to some residual issues we are dealing with. That's broadly the status of it.

CHAIR - There's not a draft bill yet then.

Mr SWAIN - No, we're not quite at that point.

Mr CRAIGIE - There was a first round of consultation. And then subsequent to that, the Auditor-General and PAC wrote again with another round of feedback. And Treasury is in the process of considering that feedback and giving advice to the Treasurer.

CHAIR - And there's some more legislation review. That would be Dean, wouldn't it?

Mr BURGESS - That has commenced and I think we had a discussion with the PAC a while ago.

CHAIR - No, Subordinate Legislation.

Mr BURGESS - Sorry. I think it's just for us to say it hasn't progressed as much as we would like, mainly because of competing work demands. The FSR being a good example of that. However, we've now set up a dedicated team in the Economic Policy Branch to progress that project, along with the review of the *Economic Regulator Act*, both of which are obligations under the new National Competition Policy. We're still aiming for the same deadlines to complete both those reviews this year, with consultation.

CHAIR - Unless there is anything else.

Ms THOMAS - Treasurer, on 11 March last year, you put out a media release talking about government continuing its war on red tape with plans to remove unnecessary and burdensome legislation, making it easier to do business. And noted you already had identified over 40 preliminary acts and regulations to take aim at, and that ministers and regulators will be required to remove existing regulations for every new one they create. Can you provide an update on that?

Mr ABETZ - I got sacked from that portfolio, if I recall. And I'm now Treasurer. So if it was -

CHAIR - Sacked was it?

Mr ABETZ - Yes, sacked. But that I think falls within Business, Industry and Resources and you would need to ask our Mr Ellis.

Ms THOMAS - This was in March.

Mr ABETZ - March last year? So March 2025?

Ms THOMAS - Yep. So you had that portfolio through to -

Mr ABETZ - We had the direction in July 2025, and that's when I became Treasurer and relinquished -

Ms THOMAS - How did that go between March and July? Or is it not appropriate for me to ask you in this line then?

Mr ABETZ - Technically inappropriate. I confess my memory doesn't tell me how far we got, other than I would like to see a reduction in red tape as much as possible.

Ms THOMAS - So you don't know if any acts or regulations have been repealed as per that aim?

Mr ABETZ - I would need to refresh my memory instead. Be better to ask Mr Ellis.

CHAIR - Because he was sacked.

Output Group 2 - Economic and Fiscal Policy Advice

2.3 Intergovernmental Financial Matters

CHAIR - I will move on to 2.3.

Ms GLADE-WRIGHT - The government committed to direct 50 per cent of any GST windfalls over and above the budget forecast to offset superannuation liabilities. Can you please confirm how much has been paid into the Superannuation Liability Fund to date, and what impact this has had on offsetting the state's -

CHAIR - You're in the wrong area.

Ms GLADE-WRIGHT - Is it?

CHAIR - Oh, that's in Finance-General, oh, Intergovernmental, oh, I'm sorry. Keep going.

Mr ABETZ - Have you got an answer for that, James?

So look, we've tabled a bill on that, but we haven't brought it forward at this stage.

CHAIR - We might move on, just conscious of the time. 3.1 Tax Administration Revenue Collection.

Output Group 3 - Revenue, Superannuation and Regulatory Management Services

3.1 Tax Administration Revenue Collection

CHAIR - Treasurer, I've dealt with some of these in our 1.1 Budget Management. But we did briefly touch on this, the Service Tasmania transaction fee, and you talked about the review fees and charges. Budget papers, page 116, indicate Service Tasmania intends to introduce a transaction fee in 2027-28 raising \$3 million, which is, you know, not a lot of money but everything helps. Who will pay that fee? Is it agencies or members of the public transacting with government?

Mr ABETZ - Technically I've just been advised it's a DPAC Service Tasmania question. But if it is a cost -

Mr SWAIN - I believe it is cost recovery.

Mr ABETZ - Yes, cost recovery items, so it would be for the consumer, thank you, yes.

CHAIR - Tasmanians will pay that extra \$3 million? Do any other members have questions on 3.1? We will move on, then: 3.2.

Output Group 3 - Revenue, Superannuation and Regulatory Management Services

3.2 Regulation and Administration of Liquor and Gaming

Ms O'CONNOR - I'm happy to move on from that, Chair, in the interests of time, given that we had answers earlier on gaming regulatory policy, so I'm quite happy to cede that ground.

CHAIR - Any other questions on that line? If not, we will move to 3.4. Bec, did you have any questions on that?

Output Group 3 - Revenue, Superannuation and Regulatory Management Services

3.4 Office of the Superannuation Commission

Ms THOMAS - No, I think that's okay. I'm happy to move on, given time.

CHAIR - We will move on then.

Output Group 3 - Revenue, Superannuation and Regulatory Management Services

3.5 Administration of Grants, Subsidies and Concessions

Ms LOVELL - Treasurer, just a couple of questions on this and I will condense them, given the time. In relation to the first homeowner grant (FHOG) and the stamping out stamp duty policies: how many FHOGs have been awarded in this last financial year, and how does that compare to the year before? While you're looking for those figures, I'm also interested in how many of those were for new builds and how many were for existing properties?

Mr ROOT - In terms of the number of grants paid, so, 2025-26, the year to date, we've got 342. In 2024-25, 391. Obviously there are still some -

CHAIR - Could you speak up a bit, perhaps?

Mr ROOT - Sorry. For 2025-26, there were 342, that's to the end of April. In 2024-25, 391, and you were after the number that were paid -

Ms LOVELL - How many were for new builds and how many were for existing properties?

Mr ROOT - The FHOGs for new builds, and I think that's been since 2024-25, hasn't it, those grants would be predominantly for new builds. Within those numbers, we do have some older grants. To get you an exact number, I think we have to take that on notice. Obviously grants are paid when the eligibility is met. Sometimes there can be a lag -

Ms LOVELL - We will put that through on notice and see what you've got. My last question on this one, Treasurer, is: how many people have used the stamping out stamp duty policy?

Mr ABETZ - For 2025-26, I think 2012, with \$40.6 million revenue foregone, and because there were couples involved, there were 3,072 recipients of the 2,012 grants.

CHAIR - Have you got the total number of revenue foregone through these measures, all of these concessions?

Mr ABETZ - All of the concessions, the stamp duty one is \$40.6 million for 2025-26. I dare say that is the anticipated total -

CHAIR - There's more than that.

Mr ABETZ - because we haven't quite finished 2025-26, have we?

Mr BURGESS - The estimate for this financial year, I understand, is in the order of \$60 million.

Mr ABETZ - 60 still: right. Thank you for that.

CHAIR - That's across all grants and concessions?

Mr ABETZ - That's the stamp duty one. It is anticipated to be 60.8, in fact, so I don't know where the 40.6 came from, there's the 60.8 in the budget paper.

Mr SWAIN - Sorry, Treasurer. Budget paper 1, page 149.

CHAIR - Any other questions on that, if not we will move to - public sector?

Members - Public trustee.

Output Group 4: Community Assistance

4.1 Public Trustee Community Service Obligation

Ms GLADE-WRIGHT - The community service obligation (CSO) to be paid to the Public Trustee in 2026.27 is considerably lower than in 2025-26. Page 304 notes that this reflects the profile of funding to support the implementation of recommendations from the 2021 independent review of the operations of the Public Trustee. So, can you please provide some details as to what recommendations have been implemented that have resulted in this reduction to the Public Trustee CSO?

Mr SWAIN - Sorry, what page?

Ms GLADE-WRIGHT - 304.

CHAIR - Budget paper 2, I imagine, in Treasury and Finance.

Mr BURGESS - I can probably provide some commentary.

Mr ABETZ - Yes, please.

Mr BURGESS - My understanding is, a big part - they've been implementing the outcomes of a number of reviews for a while now, one of the key ones outstanding is their corporate IT system which has been rolling out for a little while now, and that's getting close to its conclusion, so that project is estimated to cost between \$2-2.5 million, it's their trust and corporate accounting system. As that implementation continues, you know, it's not an ongoing function that they have, it's kind of like a capital investment, so the CSO would respond to that change.

Ms GLADE-WRIGHT - So, they're not having any funding cut to their core services at all; it's just budget savings?

Mr BURGESS - No. That's correct.

Ms GLADE-WRIGHT - Thank you.

CHAIR - Any questions? If not, we will move to Finance General. Treasurer, do you need to change any people at the table, or -

Mr ABETZ - No.

Output Group 1 - Debt Servicing and Management

1.1 Debt Servicing

CHAIR - We did cover off some of these matters under budget management, line item 1.1 in Treasury and Finance, but it's just to revisit some of that a little. As we've talked about previously, you've committed to reach peak GGS debt by 2028-29, yet the Budget's own cashflow statement shows net borrowings of \$461 million in 2028-29. As we know, PNFC borrowings continue to grow by about approximately \$2 billion in that same year. We also know that the Homes Tasmania debt is not on the GGS books. So your claim to meet peak debt in 2028-29 through cost-cutting alone in that regard because we haven't - well, the claim you've made, you're going to breach it; 2028-29 is more aggressive than the fiscal sustainability's fastest-modelled scenarios. Can you explain how that's achievable without harming service delivery?

Mr SWAIN - So the peak debt relates to GGS as it currently stands, as I think we've discussed, but in relation to the FSR, which I obviously can't speak to the government's response to, that's for the Treasurer; but they were three - we picked three scenarios: five, 10 and 15 years. They were not exclusive. We were just looking at three different budget-repair pathways. You could come up with any number of alternate pathways and we just picked five, 10 and 15, so it's -

CHAIR - But the FSR was pretty clear that to do it any faster or any harder, certainly without raising revenue, like not just tinkering around the edges, would be damaging.

Mr SWAIN - Well, I mean, what the FSR said was you need to - that it's important to start as soon as possible in terms of improving the budget position.

CHAIR - Which they said in 2021 and 2019.

Mr SWAIN - Yes. But I mean, what it did is looked at three scenarios against a historical baseline, which made a whole range of assumptions. That baseline is already going to vary from reality as it unfolds, because there will be adjustments and changes through budgets. It drew broad conclusions against those short, medium, and long-term scenarios.

CHAIR - But Treasurer that the FSR's review. How do you say we going to do it without creating harm to service delivery?

Mr ABETZ - That is our plan, and that is what we are seeking to implement.

CHAIR - The plan doesn't have any meat on the bones.

Mr ABETZ - Oh well, it will do, and we are progressing through that, and we have every expectation that will be achieved.

Ms O'CONNOR - Obviously, Macquarie Point Development Corporation (MPDC), we will get to them a bit later with your other hat on, is going to be loaded up to the gills with debt. In terms of what the government expects MPDC can hold and be able to repay when the inevitable cost blowouts happen for the stadium, what's the government's position on how much you would let MPDC borrow?

Mr ABETZ - With respect, a lot of hyperbole in the introduction, and -

Ms O'CONNOR - Not enough, I thought.

Mr ABETZ - Not enough? Well there you go.

CHAIR - Don't encourage her to do anymore, just stop.

Mr ABETZ - That is why we differ. But just for the record, I won't engage on that, but I don't accept that. In relation to what will be the debt, and is always part of the business plan, right from the get-go, that there would be a contribution, equity injection if you like, from the state. Then with the other contributions of that which remains will be borrowed, and how that will, and who will actually be servicing that, still remains to be fully sorted in relation to ownership of the stadium, and whether that gets, and when it gets transferred to Stadiums Tasmania.

Ms O'CONNOR - And the debt would be transferred with it, wouldn't it?

Mr ABETZ - Yes.

Ms O'CONNOR - That's right, okay.

Mr CRAIGIE - I will just add Treasury, this Budget, for the first time includes a chapter on the Macquarie Point Development Corporation because of the financial assistance that it is getting, which is included in the number four, chapter number 12. That shows, in detail on the financial statements, the amount of debt that is estimated that the entity will have at the end of the forward Estimates.

Ms O'CONNOR - It's an estimate of debt based on the current cost projection through you Treasurer. I mean, obviously that's a living estimate, isn't it? Because in all likelihood, given what we're seeing happen to construction costs nationally, and around the world, the cost of the stadium will increase. That's just a realistic assessment, whatever your position is on that. Therefore a Macquarie Point Development Corporation within the life of the construction of the stadium, will have very large debt attached to it.

Mr ABETZ - In relation to costings et cetera, I don't want to be talking about that and what the government might be, or might not be anticipating, in circumstances where we are in a live procurement. Because if you are sort of saying, as some people do, that it's going to be double, treble, then of course if you're putting in a quote to build, and the government's expectation is it's going to double, quadruple, whatever, then guess what? Those quoting for it will quote accordingly.

Ms O'CONNOR - I think they're going to quote accordingly anyway.

Mr ABETZ - Well, no -

Ms O'CONNOR - Because that's the realistic scenario we're in it -

Mr ABETZ - We have competitive tension in it and -

Ms O'CONNOR - Well a show of it.

Mr ABETZ - with two of them moving forward. We will undoubtedly, and you can get more detail later this afternoon, be checking of those costs from both sides by the corporation.

Ms THOMAS - Treasurer, do you know what percentage of total state revenue will be required for debt servicing in 2026-27 and each year across the forward Estimates?

Mr CRAIGIE - On page 187 at budget paper 1 it sets out those figures. Table 8.3.

Ms THOMAS - At a point in time - 2026 the estimated outcomes 59.2 per cent. 2027;73.1 per cent 2028;79.9 per cent 2029; 84 per cent and 2030; 75 per cent, is that right?

CHAIR - Don't throw budget papers out after the session.

Ms THOMAS - Three quarters of state revenue is required to service debt, that's what that's saying.

Mr CRAIGIE - No, that's not the service cost. That's the ratio of debt to revenue.

Ms THOMAS - Maybe, I'm not framing my question correctly then.

Mr CRAIGIE - I don't think we have the ratio of borrowing cost, do we?

CHAIR - To expenditure, if that's the question that you're asking, what is the percentage of interest costs to expenditure?

Ms THOMAS - No, I'm asking of all the money that comes in what proportion of that is required to service the debt. Of all the revenue that comes in, how much of that needs to be spent on debt servicing?

Mr CRAIGIE - It's one of the measures of the fiscal strategies on page 61 of budget paper 1. It shows the details of general government sector cost of debt to cash receipts. It's not an income statement, but to cash and we use the broader measure of debt in the fiscal strategy. It's not just the general government sector borrowings. We include there the cost of superannuation and the cost of homes, Tasmania debt and the cost of Macquarie Point debt on the basis that the 2P and FC entities debt is supported by grants from the general government sector.

It was a broader measure of the amount of debt the general government sector is supporting, which is what that table 3.4 shows.

Ms THOMAS - The target in the FSR is less than 7, but in 2026-27 it's 8.2 per cent. 2027-28; 9.1 per cent, 2028- 29; 9.7, and 2029-30; 9.3 so it's exceeding the target for each of those years.

Mr CRAIGIE - The targets are 2032-33 target. If you look at page 55, it shows the fiscal strategy, then there's short-, medium- and longer-term objectives. That target of 7 per cent is a longer-term objective.

Mr SWAIN - There's a number of measures that are currently not met, but the plan is to meet by 2032-33.

CHAIR - Not many of them are met actually.

Mr SWAIN - If they were-

CHAIR - You wouldn't be doing the budget repair job, would you?

Mr SWAIN - You would be concerned if they were all met.

Ms THOMAS - I'm still trying to get my head around like if you're thinking about a household budget, how much of your money you're spending on debt servicing out of how much money you're bringing in, but you don't have a measure on that or a figure on that.

Mr CRAIGIE - In the interests of confusing the committee even more, on page 192, there's another table.

Ms THOMAS - Has it got the magic number?

Mr CRAIGIE - Yes, we do have a lot of disclosure around debt and buying costs because of its import. This shows the net interest cost ratio which looks at the amount of interest we pay, less the amount of interest we receive because the government holds substantial cash assets.

CHAIR - That's across the whole pay of the state sector, is it?

Mr CRAIGIE - This is general government sector compared to the revenue from transactions less interest income. That shows another another way to look at the net borrowing burden on the state. There's a range of metrics that look at how affordable borrowing is. This is one of, as well as the fiscal strategy and those other ratios on that other page.

Ms THOMAS - I had also highlighted that table, so you can see how I have highlighted all of these and still not got an answer to my question, and trying to find it in more simplistic terms that Tasmanians could understand. That's one of the challenges is there's information in these very comprehensive budget papers, and I acknowledge the efforts of Treasury officials in putting them together, but there is some repetition in them and it's hard to distinguish.

CHAIR - They all measure slightly differently.

Ms THOMAS - Yeah, that's right, So it's hard to.

Mr CARIGIE - I think the the fiscal strategy does make the point that there's no single measure. You've got to look across a range of measures to understand fiscal strength or sustainability. It's not a simple individual metric, and the fiscal strategy has a range of targets and measures that provided indication, and then there's more detail in the rest of the Budget.

Ms THOMAS - And of all the ones that are in there, the one that I would want to try and make sense of in my head isn't in there. That's the answer to my question.

Ms O'CONNOR - A clarifying question, Treasurer, earlier when I was asking about the transfer of Macquarie Point Development Corporation's (MPDC) debt, whatever it might end up being at the end of construction, can you confirm that it is government's expectation that that debt post-construction, would then be vested in Stadiums Tasmania?

Mr ABETZ - Best to keep that for this afternoon, later this afternoon.

Ms O'CONNOR - I mean that was the preliminary, that was my understanding of what would happen with it.

CHAIR - They also have an opportunity under Stadiums Tasmania - with Mr Duigan as well.

Ms O'CONNOR - That's why I'm asking this question, because they don't know.

Mr SWAIN - So, in the historical use of transfer mechanisms, the assets liabilities have moved together. So if you've moved an asset, the liabilities have gone with it. For example, TasRail, TasWater have operated like that.

Ms O'CONNOR - Okay.

Mr SWAIN - But it is possible that you could also leave the debt with the general government sector and not move it to Stadiums Tasmania. So effectively, as I understand, the intent is that it moves to Stadium Tasmania, but it is a policy decision ultimately that's outside of the forward Estimates.

Ms O'CONNOR - Okay. The reason I sought clarity is because my colleague, Vica Bayley just asked your colleague, Minister Duigan, about the debt transfer, and the minister said the debt transfer was still a live issue and under consideration. Acknowledging that Stadiums Tasmania has no capacity to pay debt.

CHAIR - Same as MPDC

Ms O'CONNOR - Well, that's right. So I'm just, we just need - it matters the answer to this question.

Mr SWAIN - There is work going on now between TASCORP and Mac Point, and some discussions have started with Stadiums Tasmania, but they're less urgent, I guess, in terms of the MPDC needs to have more surety around its funding before it can go to market and before it can enter into a construction contract ultimately.

Ms O'CONNOR - Go to market for the sale of other properties?

Mr SWAIN - Oh no sorry, go to market.

Ms O'CONNOR - Oh I see.

Mr SWAIN - Enter into the construction contract, so the construction contract will be worth a lot of money; it'll need to have the funding to underpin entering into those obligations and that will mean it'll need to have worked through some of its funding arrangements with TASCORP. Now, that's the sort of immediate task, and there's significantly more time to work through the Stadium Tasmania issues given the stadium is somewhat years away from the transfer point.

CHAIR - You can ask TASCORP those questions too. I might just move on Cassy?

Ms O'CONNOR - I am happy with that, I just wanted some clarity.

Output Group 3 - Government Buisness

3.1 Sustainable Timber Tasmania

Ms O'CONNOR - Thank you, we see here in the finance general section chapter 4, page 72 the subsidy to enable Forestry Tasmania to meet its community service obligations.

Mr ABETZ - Sorry, what page?

Ms O'CONNOR - Sorry, page 72, finance general. So, it's \$2 million a year basically. Obviously part of the future operations if you like, of Forestry Tasmania, relates to its contractual arrangements with industry. Are you able to provide any information to the committee about the negotiations around the wood supply contracts.

Mr ABETZ - They are best asked of the Minister for Business, Industry and Resources. They're the ones that engage on a day-to-day basis with the sector, and working those things out -

Ms O'CONNOR - Well with respect, aren't you a shareholder, Minister of Sustainable Timber Tasmania -

Mr ABETZ - I am indeed.

Ms O'CONNOR - known under ASIC (Australian Securities and Investments Commission) as Forestry Tasmania. So you would have a picture of what the policy position would be on renegotiating loss-making contracts. And I know that Treasury -

CHAIR - This money is just for the -

Ms O'CONNOR - No, no, I understand that. But it's about the viability of Sustainable Timber Tasmania (STT), in general, as well. I believe, as Treasurer, you would have a line of sight to that question of contracts, because Treasury looks at these matters. I know they do. So, the question is, are you able to provide the committee with any information on renegotiating wood supply contracts?

Mr ABETZ - No -

Ms O'CONNOR - Because that will impact the bottom line.

Mr ABETZ - It stands to reason that any negotiations will impact the income stream for STT. But as I understand it, those contracts haven't been concluded. And therefore, we are in that situation where there are still live negotiations taking place.

Ms O'CONNOR - When are they expected to be completed?

Mr ABETZ - If you could ask Mr Ellis in Business Industry Resources -

Ms O'CONNOR - I don't have the pleasure of his company this year.

Mr ABETZ - Don't you?

Ms O'CONNOR - No, we're counting on you to shine some light on the subject.

Mr ABETZ - I left that behind when the portfolios were changed. As I understand, STT are dealing with the native wood supply, and the plantation supply. And that it is still, I think -

Ms O'CONNOR - So, Treasurer, I'll finish up with this. As a general principle, wouldn't you agree, wherever possible government on behalf of the people should not be entering into loss-making contracts?

Mr ABETZ - That sort of stands to reason, but you then have to ask all sorts of other questions as to whether businesses have made long-term business decisions, only to have their parameters in which they can operate changed beyond their control, which might need them to change their business model. And there are still the very real benefits in our regional communities, and I am sure that Sustainable Timbers Tasmania would assert that they are not a loss-making enterprise.

Ms O'CONNOR - Well, the facts would dispute that. And did you want to add something there, Gary?

Mr SWAIN - Only two points, and I think you'll be aware of at least the first, which is the directors have to act in the best interest of the business. So, they don't have a broader ambit than that. They're matters for government. And under the second tranche of the GBE SOC governance arrangements, that have been updated, that provides more clearly for CSO's to be transparently funded.

CHAIR - We might move on Cassy, running short of time. Can we go now to 3.2 State Fire Commission?

Ms O'CONNOR - Just a broad question here. The funding allocated to - sorry, that's expenses, sorry. The funding allocated to the State Fire Commission to meet its community service obligations is static at \$12.5 million or so. Is there an acknowledgement from government that, given the state of the climate and the risks that are identified in the government's own risk assessment of climate and extreme fire events, does the government foresee the need for increased investment in the State Fire Commission, along with Police, Fire and Emergency Management?

Mr ABETZ - We always look at those matters, as a matter of course, and when and as more and more places have been built into the -

Ms O'CONNOR - urban bush interface?

Mr ABETZ - Yes. Then the risk of fire events impacting is increased. As a result, it makes sense, if we can, to enhance our firefighting capacity. I understand we have the aerial arm now firefighting, present in our state during the summer months and things of that nature. For the detail of that, yet again, I would invite you to go to the relevant minister.

Ms O'CONNOR - Yes, but you would accept that there is an increased risk of extreme bushfire events in Tasmania because the government's own risk assessment report states that?

Mr ABETZ - The risk of bushfires has always been with us and more and more as we move out with our housing infrastructure.

Ms O'CONNOR - Have you read the risk assessment report? The climate report.

Mr ABETZ - Not the full, no.

Ms O'CONNOR - It's not very big. I highly recommend you read it.

CHAIR - Let's keep up to the questions please.

Mr ABETZ - Thank you for your recommendation.

Ms O'CONNOR - As Treasurer, you should know about these things.

CHAIR - Are there any further questions? I moved to 3.4 Government Businesses.

Output Group 3 - Government Businesses

Ms LOVELL - Thank you, Chair. Treasurer, you've predicted increases in the point of consumption tax on racing of \$2.1 million over the coming three years. As we know, you're intending to shut down 40 per cent essentially, of Tasmanian racing revenue. How will you achieve that higher point of consumption taxes?

Mr ROOT – The point of consumption (POC) tax is levied on wagering operators on the basis of the expenditure by Tasmanians. It's not specific to racing that occurs in Tasmania. The consequence of that is that a change in the mix of racing in Tasmania doesn't necessarily mean a change to the volume of the POC tax.

Ms LOVELL - You're expecting increases in other points of collection?

Mr ROOT - Tasmanians wagering on racing events wherever they might occur in Australia.

Ms THOMAS - So what you're saying Treasurer, what that means, if I'm interpreting it correctly is Tasmania will still accept point of consumption tax from Tasmanians wagering on greyhound racing interstate, even if it's not happening here?

CHAIR - Because it's applied to where you are.

Ms THOMAS - So, all racing revenue - so Tasmanians will be able to, clearly, still bet on greyhound racing interstate, whether it's occurring here or not. The Tasmanian government's intention is still to accept point of consumption tax from Tasmanian's wagering on greyhound racing interstate and overseas?

Ms O'CONNOR - How would you do that technically?

Mr ABETZ - If the wager is placed here in Tasmania. That's how they would do it.

Given our view on greyhound racing, I dare say we wouldn't mind having a bit of a clip on the way through from people's wagering on the greyhound racing elsewhere.

Ms THOMAS - It's okay to take some tax from them betting on it, but it's not okay for it to be done here, is the government's view?

Ms O'CONNOR - It's not okay to harm animals.

CHAIR - Order.

Mr ABETZ - We want to stop greyhound racing, so it would be a strange thing if we were to say we want to stop greyhound racing, but if you want a bet on greyhound racing elsewhere, we won't levy a tax on it.

Ms THOMAS - You're not going to stop people betting on it?

Ms LOVELL - You're not expecting a decrease in the number of people betting on greyhound racing necessarily by shutting it down in Tasmania, they'll just transfer that to races elsewhere?

Mr ABETZ - What the behaviours will be -

CHAIR - That's what your numbers suggest, Treasurer.

Mr ABETZ - On greyhound racing?

Ms LOVELL - On racing generally.

Mr ABETZ - Right. That's the big difference that I think there will be potentially, and look, I'm not a gambler on gaming, et cetera. So, I talk about this with splendid ignorance in relation to what the community attitude might be. But I would have thought if you like going to the races and see an outcome, et cetera, you might then go to the nags rather than the dogs.

Ms LOVELL - To be fair, if you're basing your budget on some of these numbers -

Ms O'CONNOR - They're different demographics.

CHAIR - Order.

Ms LOVELL - I would have thought you would want something a little more solid than 'splendid ignorance,' if you're basing your budget on some of these predictions.

Mr ABETZ - Look the figures are the figures and best estimates are made and what will occur will be determined, ultimately, by consumer behaviour.

Ms LOVELL - One last question on this Chair. Is that based on any research or modelling or evidence around consumer behaviour when it comes to wagering on racing?

Ms O'CONNOR - Does that matter?

Mr SWAIN - I'm just testing, through you Treasurer, so we do have our predictions in the out years of the Budget and we've got some time before this change occurs in the racing industry, so it may not be showing up in our methodology, in our estimates methodology yet.

Ms LOVELL - Thank you.

CHAIR - Do we need to take that on notice as to whether there's any further information they can provide on that?

Ms LOVELL - I'm happy to put it through on notice, if you -

Mr ABETZ - Alright, yes, if there is further information, happy to provide it.

Ms O'CONNOR - Can I just check Chair, is the point of consumption tax in part designed to mitigate gambling harm, are they connected in any way?

Mr ABETZ - What? Why do we raise this tax?

Mr ROOT - Well, I think the way the tax has been structured is reflective of the changes in the wagering industry that occurred with online gaming. So, if you go back 10 or 15 years, there was a monopoly wagering operator in Tasmania and the majority of the betting was done through the TOTE. Now you've got the Sportsbet and Ladbrokes and all of those companies domiciled in in the Northern Territory and, yes, it's to effectively protect the state's tax revenue, just the model changed.

Ms O'CONNOR - Yes, okay, thanks.

CHAIR - We might move on if that's alright, we're just about out of time. Where are we up to, I know Bec doesn't have any question on Treasurer's Reserve. I'll leave the other ones in my name up to 4.7. Claire, did you have a question on that?

Ms GLADE-WRIGHT - Yes. What analysis has the government done relating to the ongoing accommodation costs for Treasury employees if they are moved out of the Treasury building and what is the estimated cost of potentially moving Treasury employees out?

Mr ABETZ - Sorry.

CHAIR - The cost of moving Treasury out of the Treasury building.

Mr ABETZ - That will be one of the considerations that I dare say you're asking that in relation to the repurposing -

Ms GLADE-WRIGHT - Just moving the employees out of the building.

CHAIR - Do you know what the cost is going to be moving them out, should it be sold?

Mr ABETZ - Yes, on the basis of repurposing the building and that will be part of the consideration that will be taken into account, yes.

Ms GLADE-WRIGHT - So no analysis has been done yet?

Mr SWAIN - It's also a little early and hypothetical at this point because in the context of a shrinking State Service, we may have leases that we are committed to, the Treasury can go into or we may not, we don't know yet.

Output Group 4 - Miscellaneous

4.9 Ex Gratia Assistance

CHAIR - 4.9 Are you able to provide an update, just table it later perhaps, of ex gratia payments that have been made throughout the year?

Mr ABETZ - Yes, we should be able to.

CHAIR - Take that on notice.

Mr ABETZ - Yes, take that on notice. I think there have been a few that I've signed off on, so.

CHAIR - I have one I want to ask on grants and subsidies.

Output Group 4 - Miscellaneous

4.12 Home Warranty Insurance Scheme

Ms LOVELL - Treasurer, why is there funding for a home warranty insurance scheme when there is no home warranty insurance scheme?

Mr CRAIGIE - It's primarily there to provide a purpose so that as the fund is established it can meet its costs. So, the model that was announced some time ago was an insurance pool and there's a likelihood that in the early phases, the premiums collected might not be sufficient to cover the cost. It'll take a while before that scheme builds up assets. So, there's an appropriation here to assist fund those costs.

Ms LOVELL - Thank you, that explains that. Do you know when the scheme will be established?

Mr SWAIN - Through you Treasurer, we're working with Justice on that at the moment and with relevant ministers. One of the considerations is - or one of the possibilities is to go back and further test the market and the appetite for private partners in this process, but that's still in progress.

Ms LOVELL - So, no timeline yet?

Mr SWAIN - Not quite. It's getting pretty close.

Grants and Subsidies

CHAIR - Under Grants and Subsidies, one of the things under that area is the renewable energy dividend; the Finance General chapter shows the red, if you like, as zero, across the entire Budget and forward Estimates with the explanation that Hydro's dividends are insufficient to trigger the \$90 million threshold. That statement appears to be incorrect, because Hydro's forecast dividend is just over \$90 million in 2027-28, but substantially exceeds it in 2029-30, which is in the forward Estimates, where the implied dividend is significant. On the basis of the 50 per cent of any dividend above \$90 million payable in a renewable energy dividend, does that mean that it's a new policy position, that it's not going to be provided?

Mr SWAIN - There is a review point on the renewable energy dividend, which I think is 2027-28.

Mr BURGESS - I will just have a look. The framework will be reviewed prior to June 2028.

CHAIR - So, it may disappear at that point? It's certainly not factored in, in the budget papers.

Mr BURGESS - No. I think the approach would be, in the absence of knowing whether it's going to continue and in what form, it's gone in as zero.

CHAIR - Because that will substantially reduce Hydro's return to government, because 50 per cent of over \$90 million goes back to the people?

Mr BURGESS - Correct.

CHAIR - So, the figures in the forward Estimates again have that added risk, not to the people of Tasmania - well, it is at the moment, because they're not getting any of it - but it would be a risk to the budget. That's a fair call?

Mr SWAIN - Well, just also the context - and I'm just looking at Dean - as I understand it, the renewable energy dividend was put in place was Tasmania's - was because of its link to wholesale prices in Victoria facing significantly increasing prices, whereas now I think we're still in the very bottom of prices nationally. We've got to do that review, but the policy context has changed somewhat.

CHAIR - That was 2027-28, you say, the review?

Mr BURGESS - June 2028 is the deadline for the review.

CHAIR - All right. I'm just conscious of the time, so we will write to you, Treasurer, where things have been taken on notice. Sorry we didn't get some of the other matters on capital investment. Did anyone have any pressing matters that we could always put them in writing to the Treasurer?

Mr ABETZ - Before you close shop, I should say that in answer to the member for Rumney in relation to Ms Ogilvie's legal fees, I said at the time that my answer was given to the best of my recollection, and that I would check and return to the committee if necessary. I have rechecked and have found that I was a member of Cabinet at a time certain decisions were made, and therefore correct the record.

Ms LOVELL - Can you tell me when those decisions were made?

Mr ABETZ - Look, I don't have that with me, but there are matters of great sensitivity around this, and I will leave my statement at that.

Ms LOVELL - So, you can't tell me when the decision - will you take that on notice, or you're not willing to tell us when the decision was made that you were a party to?

Mr ABETZ - I think it is best left that I don't answer that question, given certain sensitivities. I will leave it at that.

Ms O'CONNOR - Noting that you did accept questions on notice relating to dates when you knew that a request had been made, so there has been a question put on notice that you agreed to earlier.

Mr ABETZ - I will have to have a look at that question, and if need be, the answer will be as just provided.

CHAIR - Thanks for your time. We will write to you with the questions on notice. Thank you for your time today.

Mr ABETZ - Thank you.

The Committee suspended from 3.04 p.m. to 3.10 p.m.

Audit Office

CHAIR - Thank you, Martin, as Auditor-General, and your team, for appearing before our Estimates committee. We've seen your budget. We tackled the Treasurer on it this morning, but we would like to hear from you as to how you see the budget, particularly in light of the commitment made to the former member for Huon, and what your plan is.

Mr THOMPSON - Thank you, Chair, and perhaps the easiest way is if I provide an opening statement in relation to that -

CHAIR - That would be great. Do you want to introduce the people at the table too, sorry?

Mr THOMPSON - To my right: Janelle. Janelle is our Director of Corporate Support and Governance and is the answer to many of the questions that the committee will have, I expect, and Jonathan Wassell is our Deputy Auditor-General. Thank you. I will perhaps start with an opening statement and then we can take questions from there. Over the last week, I've been asked by a number of parliamentarians about the budget allocated to Audit Tasmania and it is a slightly complicated picture. I will walk through, I guess, the chronology of events to shed some light on that.

My annual plan of audit coverage for the 2026-27 year is being developed in consultation with the Public Accounts Committee as required under the *Audit Act*. In addition to reporting on the outcomes of financial audits under section 29, assessing submissions, referrals and a range of other things that are done under the parliamentary appropriation, it also includes the delivery of six full performance reports under section 30 of the act. This was the level of performance audit coverage that is consistent by the commitment that was made by the Premier and Treasurer. Regrettably, the Tasmanian Audit Office budget, published in chapter 8 of the budget paper, does not reflect the level of funds required to meet that commitment.

The Budget, as published, has reduced the funding for the performance audit and other parliamentary reporting products from \$2.7 million last year to \$2.4 million in the current year. It's a reduction of just under \$300,000. To meet the commitment that the Treasurer and Premier made to restore funding, it should have increased by \$400,000 to \$3.1 million. My office submitted a budget bid of 3.1 in time to be included in the budget process in line with all required timelines. However, decisions were made outside of my office not to include the required funding, and that was done without reference back to my office, and that is a direct threat to the independence of the Auditor-General. In March, when I became aware of this

outcome, I was advised by the Treasury and Finance that it was too late and that any adjustment would need to be dealt with in-year.

I formally advised Treasury and the Treasurer of this, and particularly that this was not the preferred outcome, as it results in a lack of budget transparency and as such is inconsistent with the *Charter of Budget Responsibility Act*. The Treasurer has reiterated in writing to me his commitment in relation to the agreement with the former member for Huon, and I've continued to operate and plan on the basis that the funding will be made available based on that continuing commitment. In the interest of transparency, I will include a reconciliation between the Budget and what is actually expected to be required in relation in my annual plan, which will be tabled in the parliament on 23 June, and I will continue to build and maintain the required capacity and capability to deliver on the annual plan.

CHAIR - The Treasurer, when he was here earlier, said that when that oversight was discovered that it was too late, the numbers were already set for the Budget back in, from memory, March, I think it might have been. When did you put your budget bid in, assuming that that commitment will be met?

Mr THOMPSON - Our budget bid was prepared and submitted in December -

Ms TAMLYN - January.

Mr THOMPSON - January, sorry. Prepared in December after the letter or the commitment of 4 December, but also that's entirely in line with our normal planning process around the development of the annual plan, so yes, it was submitted in January in accordance with the normal timelines.

CHAIR - So, Martin, you said your annual plan of work, which I know as a member of PAC I have the privilege of seeing what the thinking is and you've stated here, that you're intending to deliver six performance audits, as per requirements under your act and the expectations of the Parliament. How will you do that?

Mr THOMPSON - Well, the Treasurer has indicated in his correspondence that there can be adjustments to funding worked out through end-year matters, so whether that was a RAF (request for additional funding) or whether it was the process of the audit office, my office, raising fees directly for the delivery of the performance audits, pay for those possibilities. So, unfortunately we don't know which is the preferred method or which method it will be at this stage. I would reiterate that it's the office's view and my view that the performance audit function, and the other reporting to parliament functions should be appropriation funded because they are services to the parliament. So, if it did end up being a fee-for-service type arrangement, I think that's not the ideal outcome, but it is an outcome or an option that is available.

CHAIR - So normally you would only use those powers in your act to charge for a performance audit, was it above and beyond your plan of work? Is that how you would use it to apply that?

Mr THOMPSON - Yes, I mean, so we use that power to charge for all of our financial audits and traditionally, or historically, we haven't used it in terms of performance audits unless

we're doing an audit by arrangement or agreement where it is outside of our normal area of activity.

CHAIR - So when assuming, well, let's not assume anything actually, should it require a RAF, we're looking at about \$700,000 in a RAF to enable you to deliver the plan of work as you're proposing, which I know it's not tabled yet, but will be.

Mr THOMPSON - Correct, that's right. So, it's a \$700,000 gap based on a \$300,000 reduction when we were looking for a \$400,000 increase to meet the needs of the plan.

CHAIR - So, is there any, I mean, I know you've been asked for a number of years now to make efficiencies, I mean you haven't got many things you can cut except for people.

Mr THOMPSON - Yes.

CHAIR - So, is there any fat in the organisation at all that could easily be removed to make this task a little easier?

Mr THOMPSON - Audit Tasmania has achieved significant efficiencies over the time that we've been delivering performance audits, if you like. So, initially we were funded \$2 million in 2008-09 to initiate the performance audit program. If that funding had kept up with the growth in the revenue of the state, our funding would now be at \$4.6 million. Instead, we're looking at an almost 20-year gap and an increase of \$300,000, \$400,000.

I think the other thing that's worth noting is that our office is the only state entity that has an audited performance statement, subject to independent assurance, and that has a range of efficiency measures in it, independently benchmarked and then subject to external audit. They all indicate that we are, from an efficiency perspective, at the lower end of the average for all Australian audit offices.

CHAIR - In terms of cost?

Mr THOMPSON - In terms of cost, but also we are at the higher end in terms of productivity. So, both in terms of our efficiency and our economy, the indicators are all indicating that we're leading in this space. There's a range of challenges, but we have continued to gain and improve in a range of efficiencies. So what's happened as the state has grown, in size and complexity and number of entities, we've been able to deliver the audit services at a continually very efficient and economic amount.

CHAIR - So, Martin, one of the other things that the Treasurer, and secretary I think also mentioned, was there was a - and we remember, I can't remember exactly how many years ago now, but there was a provision made for data analytics, which we were the only jurisdiction I think that didn't have the data analytics capability. He claimed that this has sort of now come to its end and so that's the difference. Can you talk us through that?

Mr THOMPSON - Yes, so part of the reduction in funding in the current year is the cessation of funding for our data analytics capability. That funding has been used to establish the capacity, in terms of our data and report insight function. We still need to fund that on an

ongoing basis, so we can't - this wasn't a capital project, it was a capacity-building project. We've built the capacity and we need to continue to find funds to support that.

CHAIR - So it's not really a fair representation of reality, is that what you're saying?

Mr THOMPSON - It's a fair representation that we got initial funding to establish the capacity, but the capacity, to be clear, is people and development of those people. We've got to the point where that's been established. We have actually provided some really meaningful data insights in a range of our reports as a result of that. When we talk about reporting through the parliament, some of the insights we've had on cumulative expenditures, some of the insights we've had on performance reporting, the analysis in our review of landfill operations across multiple agencies has all been supported by that data analytics capability.

CHAIR - It made your office more efficient in delivering.

Mr THOMPSON - Yes. We continue on all benchmarks to be quite efficient. We've actually structured our data analytics team outside of both of our core service delivery agencies so that we focus both on the efficiency and the development of our internal business operations as well as it goes out into the service lines and delivers audit assurance activities as well. It's a little bit different to the way that we focus the rest of the business, but it's so that we make sure we get the benefit across all three.

Ms O'CONNOR - Thank you, Chair. Auditor-General, you've produced a number of reports, obviously in your time in the role, and some of them quite damning. The Health department's management of community sector grants. The way the fraud was dealt with in the agency. We've got a really striking report that you've done on the Human Resource Information system.

CHAIR - Community sector funding health, which was another one.

Ms O'CONNOR - That was my first one, the community sector grants. And yet you've had a cut in funding. Does it feel to you in any way like the government's trying to shorten your office's leash?

Mr THOMPSON - I don't know the motivation, and I take the commentary and commitments made by both the Secretary of Treasury and Finance and the Treasurer on face value.

But the impact of this is, if we ended up where we are in the Budget now, would be a significant reduction in our performance audit deliverables, that would be point 1. So, we're planning six. This funding cut probably takes us back to three. And more worryingly, it eats into our capacity in terms of critical mass.

We spent quite a bit of time over the last two years building up the skills and capability of the team and we're still not there yet. But this increase in funding that was proposed, because the commitment was to restore the funding, would help us build that critical mass.

It's two parts. If we go below a certain level in terms of the available resources, those resources will disappear from Tasmania. We've looked at contracting in; it's incredibly expensive and the resources that you can get and not to the standard we need. It's important to

understand that there will be immediate reduction in the volume of work done and there'll be a significant reduction in our capability.

Ms O'CONNOR - From this perspective, it looks deliberate and I know that you can't possibly comment on that. It is such a significant cut because it's the \$300,000 on top of the \$400,000 that you needed.

CHAIR - It's quite a small budget overall.

Ms O'CONNOR - In a small budget and a small, highly productive, highly efficient and much-respected unit, what is your next step in terms of engaging with government on some of the conversations that you've had with the Treasurer and the Secretary of Treasury about how you might make sure that the effect of this cut is not to half your output?

Mr THOMPSON - We will be meeting with both the Treasurer and the Secretary of Treasury and Finance to gain a greater understanding of how they're proposing to address the funding gap that has been committed to address, both in 2026-27 and in the current year in the first instance, but also on an ongoing basis to get the budget rightsized to reflect what's required.

Ms O'CONNOR - Thank you for that. Have you as a consequence of seeing the numbers in the Budget gone back to your work plan?

Mr THOMPSON - No. As a consequence of seeing the numbers in the Budget, I engage with both Treasury and Finance who - the secretary said it was too late to change anything and I've engaged with the Treasurer, who's acknowledged that he recognises the commitment that was made and that asked us to work with Treasury about working through a New Year resolution to the funding in the context of 2026-27.

Ms O'CONNOR - Thank you. Can I just quickly check at what point in March were you told it was too late to change anything, given that the budget goes to the printers about two weeks before budget date?

Mr THOMPSON - It was late March. We went back to, sorry, it was late March that we received the budget information, after some conversations. We formally wrote to the Treasurer, sorry, Treasury and Finance on 4 April, and it was shortly thereafter that Treasury and Finance responded, sorry, sorry, to us on 27 March, I apologise. We then wrote to the Treasurer on 4 April, who responded on 17 April.

CHAIR - Saying it was too late?

Ms O'CONNOR - Two weeks after -

Mr THOMPSON - 27 March was when we were advised.

Ms O'CONNOR - that it was too late. Nearly two full months before the Budget was handed down. Some of us aren't buying it.

[inaudible]

Ms THOMAS - It's only a point in time though, isn't it. Point in time.

Ms O'CONNOR – I think that's going to live on, that saying.

Mr THOMPSON - I would prefer, I guess, that the correspondence was requested from those who wrote it.

CHAIR - Your letter to [critical]. Would you be happy to share that with the committee?

Mr THOMPSON - I'm happy to share our letter.

CHAIR - Yes. Thank you.

Ms LOVELL - Martin, the Premier told parliament that you had written to ASIC or that you'd referred TT-Line to ASIC over your concerns that we canvassed last year around the question of their solvency. Have you received any correspondence back from ASIC about TT-Line?

Mr THOMPSON - No, I have not.

Ms THOMAS - Does that concern you at all?

Mr THOMPSON - No. So my obligation in relation to that: it's a personal obligation on the auditor under the *Corporations Act* to inform ASIC where I've formed a reasonable suspicion that may have been a breach of the the relevant legislation. I've done that, and it's in the hands of ASIC as to whether they do anything from there.

Ms LOVELL - And there hasn't been any further conversations or correspondence with TT-Line or the government about that question?

Mr THOMPSON - We've had ongoing conversations, as part of our normal audit process, with TT-Line. It's important to note we will make another assessment regarding solvency, as part of the solvency ongoing concerns, part of the current audit cycle. We are awaiting documentation from TT-Line to support us in our initial planning, and the risk assessment processes that we need to do in relation to that.

Ms LOVELL - Have there been any problems getting that information? Or is that normal that you're still waiting for that documentation? Are there any concerns that have been raised through that process?

Mr THOMPSON - It's not normal. And we had made a number of requests that have been initially declined to provide information.

CHAIR - When would you normally expect to get it? That's the thing.

Mr THOMPSON - This information we would normally expect to have part of and, again, I understand in this case there was a process that the company was going through, but we would normally expect to get it as part of our initial information, as part of our planning processes, which was undertaken late 2025, early 2026. In this case, there was a formal request that was denied. We elected to wait until the company indicated there was work that was being done, and they would provide us with the information after the Budget.

We gave them a deadline of last week. And we still haven't received anything.

Ms LOVELL - Have you escalated, or would you at any point escalate that to the minister? Or do you deal just with TT-Line?

Mr THOMPSON - We would typically just deal with with TT-Line, and the board of TT-Line. We would report to the minister the outcomes of the audit. But again, that is likely to happen later in the cycle.

Ms LOVELL - But you wouldn't escalate to the minister at this point, if they're seemingly not providing information that you've requested? That would be -

Mr THOMPSON - No, is the short answer at this point in the cycle. There's reasonably clear protocols in terms of an auditor engaging with shareholders and when that would happen in the cycle. And we recognise the ministers and the Treasurer as the shareholders' representatives. But there certainly will be a reporting process, as part of the audit cycle. And that will happen towards the end.

Ms LOVELL - Can you remind me when that audit cycle finishes?

Mr THOMPSON - It is a little bit contingent on the company, and when they finalise the preparation of their financial report, and the directors form an opinion. The requirement under the *Corporations Act* is effectively 31 October that everything will need to be completed by. Traditionally it's been closer to mid-August.

CHAIR - Everything being completed is including your audit of their financial reports?

Mr THOMPSON - and the financial report and in this year's case the sustainability report and the director's report lodged with ASIC.

Ms O'CONNOR - I have a question on landfill, but will wait until others have -

CHAIR - On one other thing that feeds into your budget, you mentioned the challenge of getting in support if you need it for particular audits and that sort of thing. We've talked about this in the past: is the labour market pretty tight still and the skills that you need?

Mr THOMPSON - We've made a conscious decision to reduce the level of contract-out work we do and to employ mainly Tasmanian graduates and develop them as part of our workforce. One of the things that's happened is our headcount over the last few years has gone from about 50 to about 67 now. Whilst that seems a significant increase, we had brought back in house a range of audits that were previously being contracted out. The reason we've done that is twofold: one is to build the capability internally and to deliver that in our office. A lot of the time when we were contracting out, work was being resourced on the mainland. Our longer-term plan is to only contract out a very small number of audits and to build the skills internally. We are reasonably fortunate in attracting entry-level staff. We have a reasonable number of graduates going through and our office is more and more being seen as an attractive place to start a career. I like to attract curious Tasmanians for a rewarding career, a career that matters. We do have a challenge retaining them over a period of time. We do lose quite a few staff to the mainland, more so than anywhere else.

CHAIR - Do they pay them more? Is that what happens?

Mr THOMPSON - Yes. But there are lots of reasons. Lots of people want to move to the mainland to be close to family, friends, those sorts of things. We don't necessarily see that as an entirely bad thing. In my previous roles, it's been very hard to attract entry-level staff. Here we're in a different position.

Ms O'CONNOR - I do have questions. Thank you. I might first ask you about access to Cabinet documents. I think that fits here. In both the audits of the human resources information system and the sale of Wilkinsons Point, you noted you were prevented from accessing Cabinet documents, which limited the investigation. Is it reasonable in your view for the Auditor-General to be provided access to Cabinet documents?

Mr THOMPSON - Yes, and it's quite common in other jurisdictions. Indeed, independent analysis of our legislation that was recently undertaken indicated that their view was that the current legislation provided access to Cabinet documents, but in their words, the legislation has been read down to restrict access that's not consistent with the intent of the legislation. We've also had conversations with the drafter of the 2008 *Audit Act* who was of the view that it intended to provide access to Cabinet documents. I want to be really clear here. We need to see submissions to Cabinet and the decisions of Cabinet to enable us to adequately assess how the state sector has delivered the direction of cabinets. We're not at all interested in deliberations of Cabinet. It's irrelevant for our purposes. It's the submissions and the decisions that we need to see.

Ms O'CONNOR - Thank you. Noting that confidentiality in itself is just a convention, there's no statutes or regulations around it, I note that in the Wilkinsons Point report, DPAC referenced:

... the long-held principle of public interest immunity for Cabinet documents.

as the reason they couldn't be provided. Is it possible that the Cabinet documents relating to Wilkinsons Point or the human resources information system would actually impact the government's ability to fulfil an essential function, in your view?

Mr THOMPSON - Our access to the information doesn't equal disclosure of the information. Again, our legislation is currently quite clear on that. I need to consider very carefully whether to disclose information and if to disclose that information is in the public interest. A range of those tests need to be considered as part of any process. I think the short answer is no. Access by the Auditor-General to the information is not disclosure and we need to distinguish between the two things and indeed the act actually recognises that and puts additional hurdles around whether such information is to be disclosed if it's obtained as part of an audit process.

Ms O'CONNOR - Can I ask, have you or might you in the future seek legal advice, externally, potentially, about the public interest immunity in relation to documents requested under the *Audit Act 2008*?

Mr THOMPSON - We have, as a state sector entity, followed the relevant rules and sought legal advice from the Solicitor-General, who is relying on an older piece of advice that indicates that that restriction stands or that limitation stands.

Ms O'CONNOR - Can you get external advice? Are you able to?

Mr THOMPSON - There is a process that we could go through and there's a process of declaratory relief that we could apply to the Supreme Court for, but -

CHAIR - We could just change the legislation to make it really super clear.

Mr THOMPSON - The costs associated with some of this is of such a level that I can't in good faith incur that sort of cost when I think, as the Chair mentioned, the legislation could be changed and we do have correspondence from Treasury and Finance about some approved amendments to the *Audit Act* that have been proposed that would clarify this situation. There's a little bit more work, but I recognised this is a problem soon after my appointment, I met with the then treasurer in September or October 2024 who agreed to the need to review the *Audit Act* and we're still working through that process now.

Ms THOMAS - Going back to workforce and capability and retention, I guess. I note that our Premier, Jeremy Rockliff, has rather publicly and strongly pushed back against a number of findings that you have made or a number of reports, I should say, that the government has generally accepted the recommendations and procedural recommendations outlined in the reports that you publish.

However, in relation to the Health HRIS report, he said that the report was incomplete and in material respects potentially misleading. In relation to the TT-Line solvency issue, he dismissed this as just one man's opinion. Clearly, you and your office adhere to auditing standards and take your role very seriously and that is respected very much by this parliament, but claims like that from our state's leader must have an impact on morale in your team. Does it, and how does that impact on workforce retention, if at all?

Mr THOMPSON - A couple of points in terms of the HRIS report: I think the challenge was with the characterisation of the findings rather than the findings themselves, and we received feedback from, as part of the natural justice and the report process, we provided it to a range of involved stakeholders, including minister for Health, Premier in his role over Department of Premium and Cabinet, Treasurer, Treasury, Head of Treasury, I think, and the departmental secretaries and a number of people provided feedback.

In terms of departments, it's not uncommon for agencies to feel the level of discomfort when we have these conversations and I include in the reports these sorts of matters. I reiterate that our audits and our reports are fact based. They're based on the relevant standards, and a level of evidence needs to be amassed and accumulated before we report. We have a concept of sufficiency and appropriateness in relation to our evidence. In terms of the most recent HRIS report, that report not only went through an internal quality assessment, so through our technical review committee that independently assessed the findings and formed a conclusion of them independent of the audit team, it was also subject to an external quality reviewer who reviewed all aspects of the audit, the audit filing, and the evidence before we released that report.

So, I'm very comfortable with the factual accuracy and the conclusions drawn in the report. I do take note when there is a degree of commentary or contest around the report and I do make sure that the team, internally, are engaged as part of that process and reassured and they take great comfort and I take great comfort in the rigour of our methods and our processes

that stand up to significant scrutiny both through the processes I just mentioned, but also through a periodic performance audit of our office that's undertaken by an external party.

There are 122 state entities that I audit finance reports of. We're the only one that has a performance audit every five years, and the last performance audit that was undertaken raised a number of recommendations, which we embraced, but also found that we were efficient and effective, and found no areas of concern with our methodologies and processes.

CHAIR - We're just about out of time. Are there any pressing questions? Do you want to close with any comment at all Martin, or explain. I think you've done a pretty good job of telling us how it is.

Ms O'CONNOR - I've got another quick question, though, if we've got a little bit more time?

CHAIR - Well, not much.

Ms O'CONNOR - The landfills report.

CHAIR - Just quickly.

Ms O'CONNOR - Just very quickly, because I thought we had another five minutes?

CHAIR - No, we don't. We need a five-minute break.

Ms O'CONNOR - That's fine, if Martin wants to make some closing comments.

Mr THOMPSON - I'm happy to answer the landfill question quickly.

Ms O'CONNOR - Okay, so in your Management of Landfills in Tasmania report, you found that EMPCA is overdue for review and is no longer fit for purpose in addressing the complexity of contemporary environmental management, including landfill regulation. Have you conducted other audits in which you found that the *Environmental Management and Pollution Control Act* to be not fit for purpose, and, notwithstanding whether you have or not, do you think reviewing this legislation should be a priority for government?

Mr THOMPSON - The answer to the first question is: no, we haven't done anything else in that space. Good practice would indicate that all the legislation is subject to a periodic review.

Ms O'CONNOR - Thank you.

CHAIR - Well, thanks very much for your time, we appreciate that. It certainly helps us in fulfilment of our duties as well.

Mr THOMPSON - Thank you.

The committee suspended from 3.41 p.m. to 3.46 p.m.

Macquarie Point Urban Renewal

CHAIR - Thank you, Treasurer and Minister for Macquarie Point Urban Renewal. I will get you to introduce the team at the table and anyone else you bring to the table during the period. And I understand you don't want to make an opening statement. We just go straight to questions. Sure.

Mr ABETZ - Yes, thank you, Chair. On my right, we have the exceptional CEO of Macquarie Point Development Corporation Anne Beach, who's doing a fantastic job. On my left is Mr Mathew Healey, better known as Mat, but Mathew Healey, who is a Deputy Secretary, Department of Premier and Cabinet and next to him on his left is Mr James Avery, CEO of Stadiums Tasmania. We are open for questions.

CHAIR - Well, I will go straight to Cassy, who's the lead on this.

Ms O'CONNOR - Sorry. Thank you. Thank you, Chair.

CHAIR - I thought you would be ready and raring to go, I'm sorry. I can just start if you're not quite ready.

Ms O'CONNOR - Busy feeding my face. I have a question about potential conflicts of interest. The chair of Macquarie Point Development Corporation is Kim Evans. He's also on the Southern Waste Solutions, which looks after Copping, which will deal with the contaminated materials from the site. Has Mr Evans declared any conflict of interest given his dual roles where on one hand he's the chair of a corporation which is dealing with contaminated waste and on the other he's on the board of a company which will be dealing with that contaminated waste at Copping.

Mr ABETZ - He has mentioned that to me. Ms Beach, are you able to take us through the formalities of that?

Ms BEACH - Yes, it's a standing declaration at the start of all of our board meetings and the chair does remind us of that whenever there's any discussion on waste.

Ms O'CONNOR - Mr Evans mentions his conflict whenever the discussion of waste comes up and then how is it dealt with?

Ms BEACH - We haven't had any decisions for board in relation to waste disposal, so we haven't had to exclude him from any discussions, but it is a standing declaration in our meeting papers and at the start of each meeting.

Ms O'CONNOR - Okay, thank you. Anne. Has the Construction Environmental Management Plan for the site been completed?

Ms BEACH - No. There will be a Construction Environmental Management Plan for each stage and for each contractor onsite and they need to be consulted on and approved. There's none in place at this time.

Ms O'CONNOR - What about the site suitability statement, which the Tasmanian Planning Commission noted hadn't been completed at the time it handed down its report recommending against the stadium?

Ms BEACH - The site suitability statements are through our act. They're transitioning from remediation to being ready for development. There is one site suitability statement still to be issued, and the rest have all been issued for the site.

Ms O'CONNOR - Okay, so a site suitability statement for the stadium footprint itself, has that been completed?

Ms BEACH - There's one section that's just being finalised that's currently with the Environmental Auditor.

Ms O'CONNOR - Okay, that's the contaminated land auditor, is that correct? Has that contaminated land auditor undertaken works on the site in relation to identifying the contaminants and how they will be dealt with onsite, further to our conversation last year?

Ms BEACH - They don't actually do the activity themselves. We have a remediation consultant who assists us in that scope of works and in the review of those. Then that's submitted as a package of data and reports to the Environmental Auditor. It's a fresh set of eyes. They are consulted in things like the sign-off of updates to the site, environmental management plan, and the scope of work. We make sure work we're doing makes sense and then he reviews at the end of that process.

Ms O'CONNOR - Are you able to update the council on where the remediation work is at precisely at this point in time?

Ms BEACH - Yes. The actual physical works are complete. We're just going through the finalisation of seeking site suitability statements. In some instances, we have ongoing monitoring for a period of time. That's really important just to make sure the expected results are maintained particularly for groundwater monitoring. There's no active remediation required onsite. We're just going through the close-out of the final site suitability statement.

Ms O'CONNOR - Okay. If I could just disentangle that: did you say there's no remediation being done onsite?

Ms BEACH - Not physical remediation. There are audit areas the site's divided into and each of those sections have been progressively remediated and approved over time through the Environmental Audit process. We have completed those physical works and it's just closing out the documentation and approval of site suitability statements.

Ms O'CONNOR - All of the materials we discussed at last year's Estimates which contain potential chemicals of concerns - asbestos, lead, petrochemicals, those materials which have been identified by MPDC as being onsite and within the footprint of the stadium itself - have all been removed, have they?

Ms BEACH - There's the transition from a remediation focus to delivery. Any excavation that is still-contaminated material needs to be managed in that way, but it's been remediated to a point that it is safe for use as set out in the precinct plan.

Ms O'CONNOR - Thanks for that clarification. When does MPDC expect excavation and disposal of contaminated materials from the site to commence?

Ms BEACH - Initial works we're anticipating in July and then more substantive starting in September and it could be up to 12 months' work.

Ms O'CONNOR - Okay. Last year at this table when we talked about the potential volume of contaminated soils within the footprint of the stadium, it was a very big number. I don't have it in front of me, but I thought it was 220,000 cubic metres. Are you able to update the committee about the understood quantity of contaminated soil.

Ms BEACH - Yes, just give me one moment.

Mr ABETZ - We were agreed it was more than a couple of wheelbarrow loads. We will get the exact figure for you.

Ms BEACH - Just over 100,000 cubic metres.

Ms O'CONNOR - Has that come down from last year's assessment, has it?

Ms BEACH - I think that is a reduction, yes, in the estimate. This is material to be removed. There is also some dolerite that will be removed later. But this is the contaminated fuel material.

Ms O'CONNOR - I have one last question, Chair, if that's okay.

CHAIR - And that's it?

Ms O'CONNOR - For this round. That 100,000 cubic metres of contaminated soil that's been identified - is it MPDC's expectation that the majority of those contaminated materials will be dealt with at Copping.

Ms BEACH - We're still working that through around those, but it is one of the depots we can use.

Ms O'CONNOR - When I was talking earlier about Mr. Evans's conflicts of interest, I left out a key part. Not only is he the chair of MPDC, he's also a director of C-Cell Pty Ltd and chair of Southern Waste Solutions. And I ask this question of the minister: do you see that that is a significant conflict of interest?

Mr ABETZ - A potential conflict of interest and that has been raised with me by him verbally and the actual way that is handled has been explained to you by Ms Beach.

Mr HEALEY - Can I add to that that at all times if this subject comes up in oversight committee discussions, Mr Evans has always declared his potential conflict.

Ms O'CONNOR - Thanks Mat. It's one thing to declare a potential conflict, but then to chair a corporation which will produce contaminated materials which will go to a business that he is part of. That is not just a perceived or potential conflict of interest; that is unarguably a conflict, isn't it minister?

Mr ABETZ - It is only an actual conflict if it is not managed in an appropriate manner. I have every confidence that with the mechanisms in place, one that he was upfront with me verbally, but then has pursued the appropriate course of action with the declarations et cetera, and verbally reminding people on each and every occasion when issues of this nature arise that I think we can be confident that it is being managed.

Ms O'CONNOR - Just for clarity, how do you do that? How do you actually manage that conflict, where the chair of your corporation has a pecuniary interest in another corporation which will take a product from the corporation that he is a chair of and secure revenue from it? How do you, in practical terms, realistically manage that conflict?

Mr ABETZ - Look, you could ask the same, in reverse, of the company that he chairs that, is he going to be seeking a good deal for Macquarie Point at the expense of the company. So, you can look at that both ways and that is why it is important -

Ms O'CONNOR and the CHAIR - That's the problem.

Mr ABETZ - That why it is important that both sides, one, are notified, advised about it, and that the appropriate mechanisms are put in place.

Ms O'CONNOR - Sorry, Chair, I'm just trying to understand what that appropriate mechanism might be.

Mr ABETZ - That it is fully declared at all times.

Ms O'CONNOR - And?

Mr ABETZ - Well, it's fully declared at all times.

CHAIR - What about when decisions are being made?

Ms O'CONNOR - Yes.

Mr HEALEY - Oh that's, can I? I don't want to go too far in my knowledge of the mitigation measures that Mr Evans may have in place. But I know in his declarations he's been quite clear with us that he is not participating in any of the discussions related to the relationship between Mac Point and Southern Waste, in terms of that transaction.

Ms O'CONNOR - Does he leave the room? Does he actually leave the room?

Mr HEALEY - In our discussions he hasn't needed to because we haven't had conversations that go to the decision; that's a procurement issue from Macquarie Point.

Ms O'CONNOR - Would he be expected to leave the room?

Mr ABETZ - Ms Beach might have that information.

Ms BEACH - Through you minister, he hasn't needed to but it is a standing declaration, and to the extent that we have discussions around that, it is a practice for the director that has a perceived or actual conflict to leave for that period. If it's an online meeting, they'll leave and

then we'll admit them back in after the discussion. If it's an in-person meeting, you'll be a physical step out from the room.

Ms O'CONNOR - That'll do me for now, thanks, Chair.

CHAIR - So, minister, no Treasurer, sorry.

Mr ABETZ - No, minister on this occasion.

CHAIR - I mean there's some people in your side of the team who don't like that, previously. So you're happy to have minister on this occasion?

Mr ABETZ - Absolutely, because I'm appearing here in my capacity as minister.

CHAIR - I know that, but yes. Anyway, budget paper 2, page 229, shows -

Mr ABETZ - Anything that's half polite I will deal with.

CHAIR - Okay. That shows approximately \$35 million in grants and subsidies to MPDC for debt servicing across the forward Estimates and approximately \$27 million for operations. The questions I have on that are: is the interest cost accruing to Macquarie Point Development Corporation borrowings during construction included in the state funding cap, or treated as additional state expenditure outside it?

Mr ABETZ - The state funding cap - you're referring to the \$375 million?

CHAIR - Yeah, what you committed to, or not you, but the Premier did on your behalf and you reaffirmed this morning.

Mr ABETZ - Yes.

Ms BEACH - Through you, minister, it is separate. So, this operating grant is separate to the Budget for the multipurpose stadium of \$1.13 billion.

CHAIR - So, the overall cost of the stadium doesn't include any of the costs that MPDC incurs outside of actual construction. Is that true?

Ms BEACH - No, so the project budget includes costs associated with the Budget. That includes resourcing, so capitalisation of wages, all of the design and associated work, so general costs we've gone through in the POSS process. That's all part of the 1.13. What's separate here is, there's an operating grant allocation, so that's an equity injection and this is an operating allocation that starts in 28-29 to assist with the debt associated with the project.

CHAIR - What's the interest rate being modelled on for MPDC borrowings?

Ms BEACH - It's set out in budget paper 1 on page 192. That's just over 6 per cent across the Budget and the forward Estimates.

CHAIR - Page 192 budget paper number 1?

Ms BEACH - Yes, bottom left.

CHAIR - That's what your modelling borrowings on? That's what you'll take to TASCORP?

Ms BEACH - Yes, that's the allocation in the Budget. That's what Treasury's used to informed that at that allocation.

CHAIR - Treasurer, can you confirm that interest costs and consultant fees will not be funded - well, maybe you can't confirm this now from what I just heard - just to be clear - that interest costs and consultant fees will or will not be funded outside the cap in a way that understates the total state project contribution?

Mr ABETZ - Just trying to get my head around the question.

CHAIR - Will interest costs and consultant fees be funded inside or outside the cap?

Ms BEACH - Just to separate the two: this relates to interest-only and the operating grant relates to that. The cost associated with the project such as consultant fees is included in the 1.13. This operating to service the interest is separate to the 1.13.

CHAIR - All the cost to the GGS by giving money to MPDC to pay for interest on the loan, because they can't possibly do it because there's no capacity to earn money during construction, is an additional cost on top of the 1.3, just to be really clear. The interest cost - the money we're paying - you and me are paying - to fund the borrowings sits outside of the project cap, the price cap?

Mr ABETZ - What do you mean by the price cap? The current figure of \$1.13 billion?

CHAIR - Yes, the cost, that you've committed to. Is there another cap? Is there another number?

Ms THOMAS - \$875 million state contribution.

Mr ABETZ - Yes, the cap has been often referred to as the \$375 million. The current indicative cost is \$1.13 billion and that is to the best of what quantity surveyors, et cetera but - I'm not sure that's been referred to as a cap, the \$1.13 billion.

Ms O'CONNOR - It's just the cost estimate.

Mr ABETZ - Yes, it's a cost estimate currently. I just wanted to make sure that we're agreed as to what we were talking about. The interest payable on the debt which will be incurred towards the end of the build, that will be, that's not included in the \$1.13 billion.

Mr HEALEY - The consultant costs are.

CHAIR - Consultants costs are. Assurance activities - are they included in the \$1.13?

Mr ABETZ - Assurance? Yes.

CHAIR - Design revisions - if there needs to be design revisions along the way, they're included in the \$1.13 billion? And contract variations including the \$1.13 billion, even though we don't have a clue what they are? There are always variations. I mean, let's be fair.

Mr ABETZ - Yes, and that is why you have contingencies built in.

Ms BEACH - I'd describe them as two separate bundles. So there's the funding, there's the budget for the project itself, which we receive as equity and it covers all of those things you just listed.

CHAIR - Up to a point, then you've got to borrow.

Ms BEACH - And then, from a functional perspective, servicing of interest is same as our operating. So, operating expenses: we receive funding through a different mechanism for those. So interest is serviced through the operating grant; the project is through equity and that totals - including borrowings - \$1.13 billion.

Mr HEALEY - That's the way that every capital program would be treated across all agencies. The capital is provided. Given the financial situation of the government, all of that capital, it could be argued, is being borrowed, and a proportion of that would incur interest payment expenses. That's not attached to the project. That is dealt with separately.

Ms THOMAS - Do you know what the total borrowing costs are expected to be across the life of the program?

Ms O'CONNOR - That gets to the question of what it will end up costing, of course, which we don't know.

Mr HEALEY - In the life of the project, did you mean the life of the asset, the 30-year life of the asset, or what do you mean, to practical completion?

Ms THOMAS - To practical completion to start with; has that been estimated?

Mr HEALEY - I'm not sure if the - I'm not aware of the figure for the last year that sits outside the forward Estimates. Obviously the interest costs that are in the forward Estimates are included within the table, but I couldn't confidently give you a number that sits outside of that.

Ms THOMAS - Okay. In 2028-29 it's \$7.31 million?

Mr HEALEY - Yes.

Ms THOMAS - In 2029-30 it's \$22.31 million.

Mr HEALEY - That's correct.

Ms THOMAS - They're the borrowing costs that are estimated for those years.

Mr HEALEY - And look, I do know that Treasury has estimated those. I think they provided those previously to the multi-partisan budget panel, but I don't have them.

CHAIR - None of us are on that, remember. Maybe you could provide that.

Mr ABETZ - Ms Beach has some extra information.

Ms BEACH - Through you, minister: I can step through, so the first interest operating grant allocation is in 2028-29.

CHAIR - Where are you reading that from, just so we can -

Ms BEACH - Sorry, I am in budget paper 1 on page 61 and table 3.4 - details of general government sector cost of debt to cash receipts. The third line in that table is where it says supported borrowings. The first allocation there is \$7.3 million in 2028-29, and then it has \$22.3 million in 2029-30, but as was flagged, that's only the initial stages of the build. Working on the estimated interest rates I noted before in 2030-31, the estimated cost is \$31.3 million, in 2031-32, \$32.6 million.

CHAIR - At some point that debt will be handed over to Stadiums Tasmania.

Ms BEACH - It will be handed over to someone.

Mr ABETZ - Yes. That is -

CHAIR - The Treasurer told us it would be Stadiums Tasmania.

Ms O'CONNOR - Well, to the people of Tasmania, ultimately, for generations.

Mr ABETZ - No. It is still being determined, but likely.

CHAIR - Whoever has it, whether it's MPDC or some other body, or Stadiums Tas, there's going to be significant debt, and it's still going to be needed to be funded. Unless it's some - I don't know who it could possibly be, because if it's the government you still have to pay the interest; if it's MPDC, you still have to pay the interest; if it's Stadiums Tasmania, you still have to pay the interest. There is still going to be a continuous outflowing of money to furnish the debt for some time. Is that a fair statement?

Ms O'CONNOR - 20 years, 30 years?

Mr HEALEY - But the full profile of that is yet to be determined. I note there's other commercialisation activities from the Macquarie Point on the rest of the site, and if that generates additional capital inflows to Macquarie Point, that might -

CHAIR - It might reduce the level.

Mr HEALEY - provide Macquarie Point with some capacity to pay down that debt. That's work that's yet to be done.

Ms O'CONNOR - A lot of guesswork here.

Ms THOMAS - Considering, minister, the AFL will impose penalty conditions if certain deadlines are not achieved, like if the Macquarie Point Stadium construction is not 50 per cent

completed by October 2027; is the government confident it will meet all the deadlines set out in the agreement, and what is the full liability to Tasmanians if these deadlines are not met and all the penalties are applied?

Mr ABETZ - As I understand it, and I will be corrected, but the penalties, whilst part of the agreement, the penalty payments, should they be incurred, flow to the Tasmania Devils.

Mr HEALEY - Yes. It's an important distinction that they're not penalty payments, they're just a recognition that the team will incur additional costs if it doesn't have access to the stadium. The state has agreed to cover those additional costs, I think \$4.5 million a year, for the period in which the stadium is not available to the club. In terms of the delivery on those dates, we we're actively talking with the AFL around where we're up to with the delivery of the TA facility and the stadium and, as far as we're aware, the AFL is very comfortable with the progress.

Ms THOMAS - Okay. Is it beyond the forward Estimates? I guess it's beyond the forward Estimates, that \$4.5 million liability?

Mr HEALEY - It's also subject to ongoing discussions with the AFL.

CHAIR - Wasn't that 2027, though, the initial \$4.5 million? There was 50 per cent -

Ms THOMAS - Completion.

CHAIR - completion before 2027?

Mr HEALEY - That's just a - it's a trigger for us to advise the AFL of the likelihood of completion. So, there's some milestones -

CHAIR - It's just the likelihood -

Mr HEALEY - There's no financial transaction associated with the October 2027 date. It was merely the state flagging the progress in terms of the delivery of the stadium. The cost to the state arises when the team is incurring additional costs for not having access to the stadium. That, from memory, was if the stadium wasn't available by December 2028.

CHAIR - Well, it's not going to be, according to our Public Accounts Committee hearings.

Mr HEALEY - Yes, that's right, but as I said, we will need to continue to talk with the AFL around the arrangements, particularly once we've got a lead contractor and we've got a firm program that we can start to talk to. At the moment it's all planning. A major renegotiation of milestones is a bit pre-emptive when we haven't got a program for a lead contractor.

CHAIR - It is pretty clear that there's going to have to be some additional funding provided to the Devils, because we've been told in PAC quite clearly that it won't be completed: at the earliest 2030.

Mr HEALEY - You're right, but all of those arrangements will depend on, for example, the ground occupancy agreements that James will be negotiating with the AFL around certain venues. There are many moving pieces at the moment that we would need to work through.

Ms O'CONNOR - Are you saying it could be more than that, or you're saying -

Mr HEALEY - No, no. I'm saying it's uncertain as to what exactly those costs might be and when they might be incurred, so -

Ms THOMAS - And how.

Ms O'CONNOR - Exactly. All the guesswork.

Ms THOMAS - Still to be determined.

Ms O'CONNOR - And we're expected to believe it's going to cost \$1.13 billion.

Ms THOMAS - When you came to the Estimates table in November, there had been some minor amendments made to the AFL funding agreement -

Mr HEALEY - Yes.

Ms THOMAS - and they were tabled on notice to the committee, I believe. Have there been any further amendments since November to the agreement with the AFL?

Mr HEALEY - I don't think so.

Ms O'CONNOR - You would know if there were.

Mr HEALEY - No, no, we don't renegotiate the CFDA.

Ms O'CONNOR - Who does?

Mr HEALEY - That is done through the Department of State Growth. They have lead responsibility for that. I know there was some discussion around just the arrangements and the ownership of the delivery of the TA facility; that's the only area that I'm a little bit hesitant, to make sure that there weren't some modifications to the agreement to reflect those arrangements after that hearing. I'm not sure.

Ms THOMAS - Would there be an expectation that amendments to that agreement are reported through to the oversight committee, given the link to the penalty?

Mr HEALEY - Yes. We would get updates. I do have a list of all of the amendments that have been made to the CFDA, and I think it's probably the same as the one that we provided last time, but I just want to give me a little bit of room in case I'm wrong.

Ms O'CONNOR - Can I just check, Bec, sorry: provided last time to who?

Ms THOMAS - We got it on notice here, in Estimates in November.

Ms O'CONNOR - Are you able to update?

Mr HEALEY - Yes. We -

Mr ABETZ - Not to PAC. Sorry, a cheap jibe.

Ms O'CONNOR - Would you be prepared to update that?

Ms THOMAS - Would you take that on notice, minister, to provide a copy of that? We can check if it's the same, or if any further amendments have been made.

Mr ABETZ - Yes.

Ms O'CONNOR - Just back to the remediation: is it MPDC's plan to provide a clean signed-off site, from a remediation and removal of contaminated materials perspective, to the design and construct contractor? Or is it that the design and construct contractor will be expected to undertake those remediation and removal works?

Ms BEACH - Through you, minister: there's a site environmental management plan that needs to be followed for the management of the site. We tabled a version of that in the Legislative Council in December as part of the discussion on the debate on the order. It's approved, but it is also a live document, so it's updated as required. We have appointed Hazell Bros to commence bulk excavation. The intent of that is that we'll remove some of the material, but the main contractor will still be responsible for managing that material until it's capped and sealed.

Ms O'CONNOR - Okay, that's interesting. So, the design and construct contractor will have a primary responsibility on the site for dealing with the contaminated soils.

Ms BEACH - Through you, minister. They'll be responsible for the footprint under that contract and to comply with all of those requirements, yes.

Ms O'CONNOR - So, the site excavation works in dealing with the new figure of 100,000 cubic metres of material that is to be removed, that will be undertaken by the design and construct contractor, is that correct?

Ms BEACH - Through you minister, so we have appointed directly Hazell Bros to commence that work, that is ahead of us appointing the main contractor, so we're doing that site preparatory works. Similarly, to the other piece of preparatory work we've appointed a contractor is Hunter Mason to remove the Goods Shed. They will be novated to the main contractor once they're in place.

Ms O'CONNOR - I'm still trying to understand which entity or organisation will deal with the 100,000 cubic metres and, while you're answering the question through you minister, did Hazell Bros have to go through a competitive tender?

Ms BEACH - Through you minister, yes, we released the tender for those in December, and we've completed the assessment and now awarded the contracts for both of those. They were both open tender processes. In terms of the removal of material, the bulk of that will be removed by Hazell Bros under that contract, yes.

Ms O'CONNOR - Okay, so the bulk of the 100,000 cubic metres within the footprint of the stadium itself will be removed by Hazell Bros to where?

Ms BEACH - It depends on what the material is. We've undertaken a number of assessments, there's a number of accredited disposal depots that we can use and we're also looking at the ability to reuse some onsite for fuel. So, the entities that are accredited are Mcrobies Gully, Copping and Tolosa Street.

Ms O'CONNOR – Okay, thank you. So in terms of the role of the design and construct contractor in dealing with the removal of contaminated materials, they're not responsible for removals - is that what I'm hearing here, that it's primarily Hazell Bros and another contractor who will be removing the materials from the site?

Ms BEACH - Through you minister, the 100,000 is the initial bulk excavation. There is also some dolerite and other material that will be removed later, to the extent that has any contamination that would also need to be removed, but we're anticipating being able to reuse a lot of that material.

Ms O'CONNOR - Sorry, but the question was, which contractor will have primary responsibility for removing the bulk of 100,000 cubic metres. That is Hazell Bros?

Ms BEACH - That's right. Yes.

Ms O'CONNOR - Okay, thank you very much.

Mr ABETZ - The other contract that you may have got confused with, that was Hunter Mason for the Goods Shed.

Ms O'CONNOR - Oh, thanks. So, what work was undertaken to downward revise the amount of contaminated material to 100,000 cubic metres?

Ms BEACH - Through you minister, the larger amount we'd previously discussed included dolerite, so this is dividing it into the separation that we can do through the bulk excavation of fuel material. That's a relatively simple task that we can constrain in a contract and take that as preparatory works to be undertaken in the first stage of the contract. And then the management of dolerite is more disruptive, I guess, and so that's been included in the main parcel of work.

CHAIR - Requires explosives, does it?

Ms BEACH - Not necessarily, but it just requires a bit more, I guess, planning ahead of that and managing those. So that full package includes all of that material.

Ms O'CONNOR - Okay. Alright. Minister, can I take you back to a question I asked earlier today, and it relates to the P90 document that you referenced in your letter to my colleague to my left on 4 December last year, given what Treasury has said about design being a schematic at this point, will you confirm at the table that what you were referring to at the time was not an industry standard P90 assessment requires finalised scope, design contingencies, risks -

Mr ABETZ - Now P90, you were wanting to know whether it was a -

Ms O'CONNOR - I'd like you to confirm what I understand to be the truth, and that is that, the P90 to which you referred in your correspondence of 4 December last year, was not to an industry standard, because it could not be, because the designs and scope, for starters, were incomplete and all contingencies weren't understood.

Ms BEACH - Through you minister, the designs are well advanced and we did follow a standard P90 process.

Ms O'CONNOR - Thank you. With respect, that is not the answer to the question. The question was, was the P90 which was referenced on 4 December last year, to an Australian standard? To an Australian industry standard?

Ms BEACH - Through you, minister, yes.

Ms O'CONNOR - Oh yes, it was? With incomplete design and scope and unknown contingency risks?

Mr HEALEY - Through you, minister, if I can. I think you mentioned schematic design before. The design is well beyond schematic design. The design -

Ms O'CONNOR - I refer you to Treasury's risk assessment in the budget papers.

Mr HEALEY - The design is at 75 per cent of detailed design.

Ms O'CONNOR - Okay, in order for a P90 to be an industry standard, in order to deliver a 90 per cent certainty of a cost, then the design has to be basically complete.

Mr HEALEY - And 75 per cent detailed design is basically complete.

Ms O'CONNOR - What doesn't Treasury understand about how finished the design is? Because, they've said that it's a risk, because the design at the moment is largely schematic.

Mr HEALEY - I can't explain to you why Treasury have used those terms. I can tell you, as a fact, that the stadium is at 75 per cent detailed design and that is not 75 per cent of the design with 25 per cent not known. That is, all of it is known and the detailed design, i.e. where you put in power points on walls and how you're hanging doors, 75 per cent of that has been done. Ordinarily in a project like this, you would not move beyond that before you appoint a lead contractor because they need some room in the arrangements, in order to make sure that they're delivering project at least cost. So, that is a design level that is absolutely appropriate for a P90 assessment. In fact, P90 assessment and industry standards could be completed well before that point.

Ms O'CONNOR - No, they can't.

CHAIR - And you were there in December last year?

Ms O'CONNOR - I mean, what evidence do you have that, sorry, with respect, Chair. What evidence do you have that you can have an industry standard P90 -

Mr HEALEY - At 75 per cent of detailed design -

Ms O'CONNOR - You said well below that.

Mr HEALEY - Well, you could - 75 per cent of detailed design is a long way through the design process. Now, the P90 process can be done at regular points throughout the development of a project and you will get more certainty as you go through, so your P90s and your P50s should come together as you go through the project. But, certainly at 75 per cent of detailed design, that is more than adequate to be looking at P90 assessment and have some confidence in it.

Ms O'CONNOR - Thank you Mr Healey. So, you're prepared to sit here at a parliamentary scrutiny hearing and tell this committee that what was presented in the 4 December letter last year was to an industry standard?

Mr HEALEY - That's the advice that we have. Yes.

Ms O'CONNOR - An Australian quantity surveyor industry standard.

Mr HEALEY - That's the advice and assurance that we had.

Ms O'CONNOR - Who gave you that advice?

Mr HEALEY - Well, Macquarie Point, in the process, provided that advice to the oversight committee and we have experienced people on that committee that accepted that as being reasonable advice.

Ms THOMAS - Can I follow on from that? Minister, through you, are you aware of all Macquarie Point Development Corporation, are they able to provide evidence of the specific Australian standard that has been referred to in terms of the P90? Is there some advice that can be, perhaps, provided to the committee, in terms of what the requirements are, what that standard says, and that evidence as the member for Hobart -

Ms O'CONNOR - I know what they are.

Ms THOMAS - asked, where the member for Hobart suggesting the advice she has seen suggests that it's not to industry standard, couldn't be. Are you able to table something for the committee that backs up the assertions that in fact it is?

Ms O'CONNOR - It can't be industry standard.

Ms BEACH - We certainly, with the minister's comfort can take that on notice to provide that advice. A P90 can be done at multiple stages throughout the process. We are at 70 per cent of the detailed design process. That doesn't mean 30 per cent isn't designed, it's 70 per cent of the way through the detailed documentation process. The next stage is issue for construction. You need to make product decisions and similar, to close out that documentation process.

Ms O'CONNOR - Why didn't you call it a P75? Given that it was only 75 per cent completed design, you cannot - sorry with respect, deliver an industry standard P90 with incomplete design and scope. I call rubbish.

CHAIR - Can we allow Anne to finish answering that question.

Ms O'CONNOR - Sure.

Ms BEACH - Sorry, we can provide an overview of that and how the P90 works, and where we're up to in that process.

Ms THOMAS - Thank you.

Ms O'CONNOR - Well, the government wasn't prepared to show to the whole of the Legislative Council.

CHAIR - Just a second, can we be clear then what we're asking for here? We're wanting some explanation with the Australian industry standard is for AP90, and how did the project in December, when that agreement was made, meet that? Are we clear on that?

Ms BEACH - Yes.

Mr HEALY - If I can, I may just correct, for the Chair. I think I might have mentioned 75 per cent detailed design, and as referenced, 70 - Anne obviously has greater understanding of that stage than I do, apologies for that error.

CHAIR - It is 70 per cent complete.

Ms O'CONNOR - It is 70 per cent, and how much was completed last 4 December, was it the same amount of design?

Mr ABETZ - In my brief I have the probabilistic cost-risk model was prepared in accordance with state government, Australian government, industry guidance documents, and ISO 31000 2018 Risk Management Principles and Guidelines.

Ms O'CONNOR - I don't believe you.

Mr ABETZ - Well, that is fine, but the person that asserts must prove. It's not just good enough to say you don't believe me.

Ms O'CONNOR - But your government decided not to show the Legislative Council that document on a confidential basis, which does elevate suspicions.

Mr ABETZ - Only if you don't want the project to proceed, and you want to put that out into the public ether.

Ms O'CONNOR - I'm here as the member for Hobart. Trying to protect my corner.

CHAIR - Order.

Mr ABETZ - Because other people would know that there is a very active process underway at the moment, in relation to procurement.

CHAIR - You have committed, as I understand, minister, to provide some detailed explanations as to how you met that expectation.

Mr ABETZ - Yes, with the P90

Ms O'CONNOR - Perhaps in that you could put all of the elements in the P90, the alleged P90, you don't have to, you don't want to show it, right. You don't want to show it.

Mr ABETZ - We don't want to show it publicly.

Ms O'CONNOR - Perhaps in that explanation, could put all the elements of what makes up that alleged P90, that was cited to influence the Legislative Council vote last December.

Mr ABETZ - Because as I understand it, the risk model simulated 10 to 20,000 possible outcomes, from which the P90 cost estimate is extracted. Please if we have to provide all those various possible outcomes it would be a mammoth amount of work.

CHAIR - I think it's a description of how.

Ms O'CONNOR - I was expecting you to prove it was to an industry standard.

Ms THOMAS - That's what we've taken on notice. Can I move back to the the negotiations with the AFL on the actual contract? But I think what I heard the Treasurer, is it not questions for you about amendments and negotiating amendments to the deed, the funding agreement with the AFL, who would those questions be directed to if not to you?

Mr HEALY - Yes, Department of State Growth have been leading the negotiations with the AFL around the changes to this Tasmanian Club Funding and Development Agreement. They do provide advice through to the oversight community. We do have that information; I just didn't want to be inaccurate in saying we've tabled them all before.

Ms THOMAS - To be clear, do you know if there has been any attempt to negotiate with the AFL on those additional costs that will be incurred to the team and the state being liable to cover those?

Mr HEALY - No, not that I'm aware of. All of the amendments to date have been sort of minor variations to some of the early dates associated with the planning approvals, the budget approvals. There were variations because the Devil's constitution was updated. I think they had a draft constitution in the original agreement which was replaced with their actual contribution.

CHAIR - Constitution.

Mr HEALEY - I'm sorry, constitution, I think there's also been some amendments to the agreement associated with the responsibility for the delivery of the training and administration facility.

Ms THOMAS - Okay. It will be interesting to see what they are. Do you know what they are?

Mr HEALEY - It's just the team is looking to take a greater role in making sure that facility is being delivered.

CHAIR - How are they doing that?

Ms THOMAS - They're going to pay a bit more for it are they?

Mr HEALEY - They are playing a more active role in the project delivery.

CHAIR - What does that mean?

Mr HEALEY - As in, they may engage the project managers in the delivery of that facility.

CHAIR - Tell them how they want things.

Ms THOMAS - They're going to construct it, get a grant from the government with \$105 million will be paid as a grant.

Mr HEALEY - With the state engaged in the governance of that facility as well.

Ms THOMAS - That's my understanding. Is that right that the \$105 million state contribution will be paid as a grant to the Devils.

Mr HEALEY - To the Devils yes.

Ms THOMAS - To deliver that?

Mr HEALEY - To deliver the facility, yes.

Ms THOMAS - Therefore, they won't just be playing a more active role they will be delivering it.

Mr HEALEY - That's right.

CHAIR - This is the football club. I'm not sure, they're doing very good at football, but building, constructing major facilities, is that actually what's in their skill set?

Mr HEALEY - They they would have to engage appropriate expertise, experts to deliver it. Yes.

Ms THOMAS - They have \$12 million government funding a year to do that, I think they will be right. The \$4.5 million that we came back to before the Chair said the date in the CFDA for completion was 2028, therefore if there is that \$4.5 million liability.

Mr HEALEY - Can I just clarify because I might have been a little unclear. The amendments to date have been a commitment to negotiate those arrangements. They haven't been committed into the agreement, but the agreement said that we would look to negotiate with the team -

CHAIR - They will talk about it.

Mr HEALEY - to see if we can enter into those arrangements and they haven't been finalised. It is just a process-based set of items.

Ms THOMAS - It's not reflected in the budget papers as a liability because those negotiations are likely to occur or are ongoing.

Mr HEALEY - The negotiations are ongoing, yes.

Ms THOMAS - Okay, thank you. That clarifies that. I have others, but if other people have others.

CHAIR - You're all right.

Ms O'CONNOR - I have always got more.

Mr ABETZ - Silly question, yes.

Ms THOMAS - In terms of the actual budget, it appears the grand amount allocated from DPAC to MPDC for operating costs increases from \$3.5 million to \$8.5 million in 2028-29 and 2029-30. What's the purpose of the increase and how was that amount determined?

Mr ABETZ - As the project ramps up - yeah.

Ms BEACH - There's a couple of key things driving that. One is increasing our capacity for our team and in our ability to deliver that project and other works. You will also under the statement of comprehensive income on page 15 will note that interest we're able to generate also drops away and other revenue. We currently have a car park on site that generates revenue. As we move into delivery, our ability to interim activation and self generate revenue reduces. And then the other element is we will need to move off site so construction can be commenced so there will be accommodation costs. They're the key three drivers.

Ms THOMAS - And those borrowing costs we referred to earlier that are outlined in table 2.2, are they all for the stadium?

Ms BEACH - Yes. We're not borrowing for any other purpose, no, not at this stage. Okay.

Ms O'CONNOR - Just back to the P90, assuming that you could do a P90 with 75 per cent complete design, of the 25 per cent not designed is the full assessment.

CHAIR - It is 30 per cent not designed.

Ms O'CONNOR - Now we know it's 30 per cent not designed, let me put it this way, a P90 requires assessment of remaining uncertainty, of risk and contingency analysis, historical estimating, data scope assumptions, exclusions, escalation assumptions and schedule assumptions. Were all of those in the P90 that was referenced on 4 December in correspondence to the Legislative Council last year.

Ms BEACH - Yes and to clarify, 70 per cent design does not mean 30 per cent of the structure is not designed, it's 70 per cent of the way through the detailed design process, the level of design that's captured in the drawings and we are able to consider all of those things.

It is a really important thing to do because it did inform the contingencies which led to the proposed \$1.13 billion budget that was put to the minister.

Mr HEALEY - Through you, minister, the schematic design is 100 per cent complete. Detailed design is 70 per cent complete. It's 70 per cent of the last level of detailed design.

Ms THOMAS - Like what the carpet is.

Mr HEALEY - What the fittings are. Where to put the light fittings, where to put the power points. It's the detail. It's the stuff that once the detailed design is done, you can walk in and you can finish that room. It is quite different to saying that we're 70 per cent of the way through the design. That is not true. If you added up all of the stages, it would be much, much closer to complete as an overall percentage.

Ms O'CONNOR - What did the risk of contingency analysis in the alleged P90 of 4 December last year tell government about the cost?

Ms BEACH - Through you, minister, it informed the contingency allocation. There are three types of contingencies, client design and construct. That helped us inform getting the balance of those contingencies right.

Ms O'CONNOR - There would have been a fair bit of guesswork in that, wouldn't it?

MS BEACH - Through you, minister, it's a risk analysis assessment and then allocating an estimated cost to those risks. And then as the minister said, running through 10s of thousands of scenarios to identify between you can do a P10 to a P90, and as we get close to a P90, there's greater contingency allocated so that we have more confidence in that number.

You often here in the roads program they'll talk about a P50 and a P90. The difference between a P50 and a P90 is the level of confidence and the extent of contingency and other things that have been allowed for to stay within that budget,

Ms O'CONNOR - I guess within those thousands of contingencies and risks that were apparently modelled, not one of them said the war will break out in the Middle East. That is obviously going to have a significant impact on the cost.

Mr ABETZ - With all the best endeavours in the world, even with the crystal ball, I dare say you cannot -

CHAIR - Have you got one of those?

Mr ABETZ - No, I don't. You cannot account for all the contingencies. Even if I did have one, I'd ever know how to use it.

Ms O'CONNOR - What can you contingency or a crystal ball?

Mr ABETZ - I'm sure it wouldn't necessarily tell us all the, what's it called? The unknown unknowns.

CHAIR - I wouldn't have thought that a Middle East war was that unknown though, in fairness, it's what's been going on for some time.

Ms O'CONNOR - Can I ask about the bulk earthworks again on the site? Are they considered site-preparatory works under the Macquarie Point order?

Ms BEACH - Through you, minister, some but not all. The order prescribes what preparatory works are. So there's some elements in that scope that are preparatory works but not the full scope. The main bulk excavation is not preparatory works under the definition of the order.

Ms O'CONNOR - Okay.

MS BEACH - We've identified it as the stages. It's the initial stages that will be undertaken before stage 3, which is the commencement of the main construction.

Ms O'CONNOR - Okay. When should the EPA expect to receive an updated and comprehensive site environmental management plan that relates to those earthworks?

MS BEACH - Through you, minister, there's one, I think, that has either been issued or will be imminently to the EPA for review. We did have a site environmental management plan that was provided to the EPA ahead of the test roof construction. It was suitable for those works. Then we've reviewed to make sure it is ready for the bulk excavation stage.

Ms O'CONNOR - Noting what you said about some are part of the preparatory works under the order, are they considered part of the first stage of construction?

MS BEACH - Through you, minister, in the staging plan, we've set out multiple stages. Stage 1 is the bulk excavation and part of that includes preparatory works and part is more substantive works. The items listed in the order that are included that we would be progressing as part of those works are archaeological investigations, so digging that area. There's a section also where it's useful to do some further soil farming and so to store that on-site. So to do that first before the main excavation starts, is how we've staged it, and those first elements are preparatory works and within the scope of those and then the rest is more substantive work. It would need to meet the broader requirements of the order.

Ms O'CONNOR - I'll let this one go shortly, but on the P90, what were the escalation assumptions in the P90?

CHAIR - In terms of dollars?

Ms BEACH - There's two parts of that. There are contingencies which are actually for management of risk and then escalation is for inflation. I'd need to check the year-on-year. As a multi-year project, there's assumptions around each year because the cost of materials on day one is quite different to the cost of materials at the end of the project, but I can check the escalation we use.

Mr HEALEY - Can I just say the published breakdown of the cost of the stadium includes \$147.6 million in escalation.

Ms O'CONNOR - So, \$146 million?

Mr HEALEY - \$147.643774 for escalation.

Ms O'CONNOR - Within the alleged P90 of 4 December last year, was there an escalation assumption that led to this number \$147 million?

Ms BEACH - There's two ways to do the project estimates. We did a cost plan where the quantity surveyors look at the detailed designs, and they look at the amount of individual materials. They have a unit allocation for each of those, and so it's a measured allocation to go, 'This is the cost of materials.' Then, on top of that, they add market loading resources, head works, contingencies, escalation and that gets to a figure.

The P90 goes further than that and looks at, in terms of risk, what are things we've identified, quantifying those and running thousands of scenarios to test, is there enough in that contingency? And that led in addition to the contingency which is part of what makes up the \$1.13 billion. It needs to have that base to run the scenarios, the Monte Carlo scenarios, to be able to get the risk allocation, which is testing, 'Is our contingency sufficient?'

Ms O'CONNOR - I'm trying to understand what the escalation assumptions are, though, not even necessarily the dollar figure, what are the assumptions around escalations?

Ms BEACH - Escalation is basically looking at an inflationary-type of figure sorts of percentage. Contingency is risk; escalation is more looking at the cost of goods over time. Both of those are factored in two separate elements in the estimate.

Mr HEALEY - Just to clarify, in the in the move from \$945 million to \$1.13 billion there was an additional allocation of \$97.5 million for escalation and delay associated with - a lot of which was associated with the election and the delays associated with that. And there was an additional \$63 million that was put into the budget as a client contingency to also lower the risk of the project.

Ms O'CONNOR - That was at a point in time though last November, December, was it?

Mr HEALEY - Yes, the actual date that that was moved I'd have to check, but that was the last revision of the total budget for the state.

Ms O'CONNOR - Is the P90 a living document? When I say living document: is it something that it would be wise to review and renew potentially given what we know about soaring fuel prices, interest rate uncertainty, all of the things that we know can lead to very significant cost escalations and which we're seeing on the mainland, escalate costs of construction by around 18 per cent in the past year.

Ms THOMAS - You'd let the tender process play out first, wouldn't you?

Ms BEACH - Yes, so it's a tool for us to inform the assessment of the tender bids that we receive. We'll also have quantity surveyor support throughout that process to be reviewing the bids that we received and to the extent there's any variation, looking at what the drivers from what that might be and a reasonableness test. The P90 is one of a number of tools we have to inform our assessment.

Ms THOMAS - I just want to ask the minister about the federal government. There's a recent sign off on the Macquarie Point Precinct plan and the housing plan, I understand as well, which was a milestone set out in the Federation Funding Agreement for the Commonwealth contribution of \$240 million. Have all the milestones in there FFA now been meshed?

Mr HEALEY - Yes, all of the existing the previous milestones have been met and we're currently just revising. You've seen the last milestone for the FFA; it said that we would then work through some additional milestones for the payment of the \$240 million. That's what we're actively engaged in that discussion at the moment.

Ms THOMAS - When will they be finalised and published, do you expect?

Mr HEALEY - I expect that - publishing is not up to me - I expect to finalise the discussions around those milestones within the next couple of weeks.

Ms THOMAS - Okay, so minister, is that something you'll be able to table in the parliament or publish, what those milestones are? I mean the milestones with the existing agreement, the Federation Funding Agreement.

Mr HEALEY - In the Federation Funding Agreement.

Mr ABETZ - That's already on the public record.

Mr HEALEY - Yes, it would be an updated FFA based on some additional milestones including the milestones for the initial payments of funding from the Commonwealth to the state. Without trying to pre-empt the outcomes of those discussions, there may need to be some further discussions once we get a program delivered to us by a lead contractor. That may also influence some of the latter milestones towards the end of the \$240 million payment. The FFA would ordinarily be publicly released by the Commonwealth.

Ms THOMAS - Yes, that's what I thought. So, it's likely that this one will be?

Mr HEALEY - Yes.

Ms THOMAS - But it may be not until October that it's available.

Mr HEALEY - I would expect, through you minister, I would expect it to be earlier than that.

Ms THOMAS - Right, okay. But you're not sure exactly when?

Mr HEALEY - No, it's my -

Ms THOMAS - It's the Commonwealth?

Mr HEALEY - Yes.

Ms THOMAS - Okay.

Mr ABETZ - I have just been advised we can table an update.

Ms THOMAS - Okay, great, thank you. Are these additional milestones that are being negotiated likely to require budget appropriations to deliver outcomes across the forward Estimates, and if so, is there an appropriation in the Budget?

Mr HEALEY - Through you minister, these are about the payment of the Commonwealth's funding to the state.

Ms THOMAS - So there's -

Mr HEALEY - So there's no, they're not seeking additional contributions.

CHAIR - There's no matching contributions or anything like that?

Mr HEALEY - No, I mean the FFA already recognises the significant financial contribution that the state is making to the precinct generally. These milestones are about when the Commonwealth will release their \$240 million for the construction of the stadium.

Ms THOMAS - So, it's not likely that those additional milestones will include requirements around housing?

Mr HEALEY - The FFA already requires a housing plan and delivery of housing onsite.

CHAIR - Is there a timeline for the delivery of housing?

Mr HEALEY - The discussions at the moment are around the milestones for freeing up the \$240 million for the construction of the stadium. I'm not thinking that there's a significant risk associated with it being tied to the delivery of housing, but I don't want to go too far because those discussions have yet to be completed.

Ms THOMAS - I guess that that was the reason for my question.

Mr HEALEY - We're not seeing it as a risk to the accessing of the \$240 million; put it that way.

Ms THOMAS - So, the housing plan's been delivered, but there's not likely to be any requirement by the Commonwealth that the plan is actually delivered.

Mr HEALEY - The commitment of the FFA is to deliver the housing plan.

CHAIR - The plan, not the housing?

Ms THOMAS - Not deliver the housing?

Mr HEALEY - That's right.

CHAIR - Just deliver the plan, not the houses. Fantastic.

Ms O'CONNOR - That's great, isn't it.

CHAIR - That'll work really well. People can live in a plan, what are they complaining about, seriously? Anyway, that was completely tongue-in-cheek for whoever is watching and thought I was really nasty.

Ms THOMAS - A point in time, Chair.

CHAIR - Yes, so Treasurer, I know that there are many people who are concerned about the loss of the northern rail corridor, through this development, and then the question goes to the use of rapid transit buses, in terms of getting rapid transit buses in, which are supposed to be rapid, out of a congested site, how's that going to be managed?

Mr ABETZ - Look, in relation to northern rail, I think that's sort of been dealt with over a period of time. In relation to the bus mall and other things, I'll refer to Ms Beach.

Ms BEACH - Through you minister, so there's transport modelling that's been undertaken that looked at, including access of buses, the north-east corner is our key drop-off for buses on a large event day. That's been designed working with State Growth who are delivering the northern access road. So, the DDA compliant bus stop space in there is part of the delivery of the northern access road. That's informed part of our transport and access. We've also done dynamic pedestrian modelling so -

CHAIR - Just before we go onto pedestrians, can we just stick on the buses for the minute. So, the buses, in terms of clearing out rapidly - I've gone to the train outside the G - you know, it's a full-on crush - when Collingwood's been playing anyway. Depending on which one you're going to, you take your life in your own hands.

Mr ABETZ - I hope you're not watching Collingwood.

CHAIR - No, I wasn't. I was watching the other team.

Mr ABETZ - Oh, good.

CHAIR - I've been there a few times. It is quite the rush, and so there's huge pressure on these nodes or these places where that bulk transport sits. So, how is the plan to clear them properly from the site? Because isn't that the whole purpose of a rapid transport system? Once you catch the train, you're on the train, but this bus has still got to navigate some roads.

Ms BEACH - Through you, minister. That's where the transport modelling, and the dynamic pedestrian modelling interplay. So, we need to make sure that the design of the footpath allows room for queuing for buses, so there's multiple bus stops in there for queuing and for people to safely pass. So, we've modelled both of those, looking at clearing the site and modelling people from their seat to their destination in the city.

CHAIR - But let's think about it, people get on the bus - that's the people walking, you know, either to the bus or beyond the bus, to go walk across the bridge or wherever and go into the city, or wherever they're going. The buses that leave the site - how do you ensure they don't get caught up in other traffic? My point is: the rapid transit bus means you get on there and it gets out of town.

Ms BEACH - Through you, minister. The dedicated event day buses are designed to move people rapidly, to the extent that they're not utilised and we have excessive vehicles on

the road that will undermine their effectiveness but, ideally, people will be seeing the buses going past while they're sitting in their cars, and take the bus next time.

CHAIR - There's lots of people who don't go to the footy on the days. They're still using the road.

Ms BEACH - We have modelled that and, looking at multiple times of day and when different major events can occur, and having bus event services available and having just over 20 per cent of people using those, we don't have a significant impact on the road network. At its worst, it was found to be similar to coming to work on a Monday to Friday in the morning for a limited period.

CHAIR - Some people don't like that either.

Mr HEALEY - Can I, through you as well, just for clarity. The detailed business case for the rapid bus service is being developed now, including how that rapid bus service would operate. Whilst it's very much connected and is relevant to the game-day bus services for the stadium, they are slightly different. The game-day bus service will be a dedicated set of transport arrangements to support the stadium, which would feed into, eventually, the rapid bus system, but they're slightly different.

CHAIR - Yes, but there are two different problems you're dealing with. You've got the ones who can go on the rail corridor - once they get there, okay. You've got the others who are going other places.

Mr HEALEY - Yep.

CHAIR - I'll go to Bec, now. She's got a question.

Ms THOMAS - Thank you. Minister, there are 146, I believe, conditions in the stadium order. Is that right? Yes, 146 conditions. So, as the minister responsible for Macquarie Point Development Corporation, what oversight do you have of how work towards meeting these conditions is progressing?

Mr ABETZ - We have a variety of oversight mechanisms and there is - and Ms Beach can take you through those various stages and then we have a Cabinet subcommittee that looks at the MPDC as well. And that is where, if you like, all the information comes to myself and some Cabinet colleagues.

Ms O'CONNOR - Then you have to run it past the AFL, don't you, under the contract?

Ms BEACH - Through you, minister. There are two main pathways where we keep the minister abreast of progress on those. So, one is through our regular reporting through the oversight committee, where we're identify anything we've submitted, and how they're tracking. And that goes to the Committee of Cabinet, as the minister noted. The other is the minister does ask us for regular updates. We have an internal weekly working group that's looking at the order management because there are a number of streams, and making sure we're engaging with all of our regulators and sharing information through those, so we're not dumping something on for approval, they know it's coming and we've had a forward program of that

coming ahead. Through our regular fortnightly meetings, we give the minister a regular update on how they're tracking as well.

Mr HEALEY - Can I add to that to say that the government's oversight and assurance framework is being fully implemented by the oversight committee and the Cabinet committee. There is a probity adviser that's also been appointed by the Department of State Growth, who regularly monitors the integrity of the decision-making process within the order and that probity adviser reports directly to the oversight committee on any observations that they have with regard to the delivery of all the conditions under the order. We also have regular meetings with the Hobart City Council as well to make sure that there's good communication between the state and essentially, the planning authority, to make sure that everyone understands exactly how we're meeting all of the conditions of that order.

Ms THOMAS - Minister, are you aware of any risks that conditions in the stadium order won't be met, or won't be met in accordance with expected timeframes that will cause delays?

Mr ABETZ - None. None that -

Ms O'CONNOR - Would you tell us?

Mr ABETZ - Would I keep a secret from you?

Ms O'CONNOR - I reckon you might.

Mr ABETZ - There aren't any that are not manageable.

Mr HEALEY - No. Through you, minister: we are certainly learning how best to - and I'm talking a little bit on State Growth's behalf here - it's beyond what we are accountable for, but I do understand that they're learning how to effectively engage with the regulators and with the Hobart City Council and get the approvals working as they need to under the order. It's quite a complex system of approvals. The early stages are going well, but we are certainly learning how to streamline that and make sure that it goes the best that it can go.

Ms O'CONNOR - Learning on the job: how reassuring.

CHAIR - Are you finished?

Ms THOMAS - Yes. On that one I am.

CHAIR - We've only got a couple of minutes left. So, if you have any others?

Ms O'CONNOR - I've got one quick one. It's not on the P90.

Mr ABETZ - Just quickly on the P90, if I may, Chair: WT, the outside consultants, prepared the P90 for us, and their professional reputation is staked on doing these things. So, when we hear the alleged P90, et cetera, I think we can take comfort that it's not something that was -

Ms THOMAS - Cooked up.

Ms O'CONNOR - Does WT have a bigger name, or not?

Mr ABETZ - I don't know.

Ms THOMAS - They go by WT Partnership.

Ms O'CONNOR - It's not the consultants whose reputation I'm questioning here, just to be clear. Has the government undertaken a sort of whole-of-project cost assessment, and that's not just the stadium, because we're talking here about precinct enabling works, transport upgrades, public realm and urban renewal works, AFL-mandated facilities.

Mr ABETZ - The whole of precinct - are you talking about?

Ms O'CONNOR - Yes. The whole of project, so, Macquarie Point Urban Renewal. What is the government's understanding of the whole-of-project cost?

Mr HEALEY - Through you minister: you probably know under the governance oversight and assurance framework, what that does is sets all elements of the urban renewal, including the TA facility, the upgrades of the precinct generally. It requires the delivery of detailed project parameters for each of those components and those components also include detailed costs. You did mention the rapid bus transit. Some of those are outside of the responsibility of the oversight committee, but anything within the purview of the oversight committee, there is a systematic process of providing advice to government on the parameters within which each of those projects should be delivered. That's the primary control mechanism.

Ms O'CONNOR - Thank you. With respect, Mat, you didn't answer the question, but that's okay. I'm not surprised. Who chairs the governance oversight and assurance committee?

Mr HEALEY - The secretary of the Department of Premier and Cabinet.

Ms O'CONNOR - Okay, so Kath Morgan-Wicks chairs that.

Mr HEALEY - If I can be direct to your question, then, for those projects within the purview of that oversight, which is the Macquarie Point Urban Renewal-related projects, there is absolutely a process for making sure that we understand what the costs of all of those projects will be, and that advice is provided to government in a very systematic way.

Ms O'CONNOR - Okay. And it is not provided to the parliament or to the Tasmanian people. I'm with the minister now: last year when I asked you, for example, what the pedestrian upgrades along Davey Street might cost, you said something, and I don't want to verbal you completely, but you said something like, we don't think they're needed, or there was some statement that made me question whether or not those works would be done, let alone funded. I'm trying to get a picture here of

a more honest assessment of what the whole project will cost. I'm not having a crack at you, minister, it's the whole thing: the whole thing.

Mr ABETZ - You are.

Ms O'CONNOR - Well, you can handle that. You can.

Mr ABETZ - You know I'm sensitive.

Ms O'CONNOR - Stop it. The question is: the government must have an understanding of the whole-of-project costs, not including building houses on the site. There's a whole lot of elements there, and we haven't even talked about the underground car park that's apparently been sort of abandoned. The whole-of-project costs, there must be an understanding of that beyond the stadium construction cost.

Ms BEACH - Through you, minister: there's a number of parts to that. There is the stadium budget that's public, the \$1.13 billion. There is the northern access road, which has also been in the last two budget papers for \$75.9 million.

Ms O'CONNOR - Static cost, apparently. Sorry, Anne.

Ms BEACH - It's okay. We have funds at bank to progress the precinct infrastructure, initial works that are required for the delivery of the commercial precinct on the eastern side and for the housing development. Our intent is to take those to market and be private sector led, so that's not a direct cost to us. We will be looking for those to be delivered as part of - we will be doing business case work, and our intent is for those to be fully commercially led.

Ms O'CONNOR - If there's no appetite in the commercial sector for these little slivers of land around a stadium, what happens then?

Ms BEACH - Through you, minister: they're pretty substantial pieces of land. There's 17,000 metres squared in the southern end of that commercial zone and then 10,000 in the north, and then there's also the space on TasPorts land that we're working on progressing how we deliver that together. To the extent that there were any issues with those, we would flag that with the minister, and he has previously indicated that that would be flagged with the community.

CHAIR - We need to wrap it up, because we've only got a 15-minute break and we will be back for a new portfolio that you're taking on today.

Mr ABETZ - Community Services: instant expert on it.

The Committee suspended from 5.02 p.m. to 5.23 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Eric Abetz MP

Monday 1 June 2026

MEMBERS

Hon Ruth Forrest MLC (Chair)

Hon Clare Gade-Wright MLC

Hon Sarah Lovell

Hon Cassy O'Connor MLC

Hon Bec Thomas MLC

OTHER PARTICIPATING MEMBERS

IN ATTENDANCE

HON. ERIC ABETZ MP

Acting Minister for Community and Multicultural Affairs.

Ministerial Office Representatives

Tristan Bick

Chief of Staff

Rosita Gallash

Senior Adviser

Community and Multicultural Affairs

Department of Premier and Cabinet

Noelene Kelly

Deputy Secretary

Corrina Smith

Director, Community Services

Kristy Broomhall

Assistant Director, Community Services

The committee met at 5.23 p.m.

Community and Multicultural Affairs

CHAIR - We had a little bit of a hiccup with the scheduling there, minister. So I'll get you to introduce your team, or maybe you might like them to introduce themselves, and if you could outline your role here for the members of the public who might be watching, as well as the committee. Then invite you to make any comment you wish to, then we'll go to questions.

Mr ABETZ - Look, thank you, Chair. Chair, I appear here at the request of the Premier to deputise for the previous minister, and I think we all know the circumstances. So, that's the basis on which I appear at this part of the Estimates.

CHAIR - For the portfolio of?

Mr ABETZ - For the portfolio of Minister for Community and Multicultural Affairs, and I'm sure going to be exceptionally capably assisted by Noelene Kelly on my immediate left, the Deputy Secretary of Community and Government Services, DPAC, and Corrina Smith to the left of Noelene Kelly, who's Director of Community Services, DPAC. We will make ourselves available for questions.

CHAIR - We've got a new member on this side, too, and you two may not have met - Clare Glade-Wright. We will go straight to questions then, as we've lost a little bit of time.

Output Group 3 - Community and Multicultural Affairs

3.3 Community Services

Ms LOVELL - Minister, I'll go straight to output 3.3, community services line item. This line item falls by more than 50 percent over the forward Estimates. I understand the rationale that has been given that this reflects programs and initiatives that are reaching the end of their funding period. Are you able to provide the committee with a list of community services programs, services, grants or organisations that are not being funded beyond their current funding in this budget?

Ms KELLY - We can provide the copy of, similar to the question on notice we had last year, that shows each of the organisations, and how they're funded from 2024-25 through to 2029-30. So, we've got copies of those.

Ms LOVELL - Does that show those programs, or where funding is ceasing, we'll be able to - that's all spelled out?

Ms KELLY - Yes, that will show you.

Ms LOVELL - Brilliant.

Ms KELLY - And just to also comment there that keeping in mind that they are forward Estimates, so that they will be subject to further budget processes, and so on. I'm wondering whether or not, through you minister, whether you want me to broadly explain this document and how it works?

CHAIR - That would be helpful.

Ms KELLY - So the package provides three tables. The first table provides a breakdown of the funding allocated within our 3.3 Community Services by organisation, that shows the core base funding as well as one-off commitments. The text in black is appropriation funding and the text in green includes funding through either the Gambling Support Program, through the Community Services Fund, or funding that we might not have spent in the previous year that we're hoping that we'll be able to carry forward into the new financial year.

Ms LOVELL - Can I just clarify on that? When you say hoping to be able to carry forward, is that reflected in the Budget, in that line item already, are those the green?

Ms KELLY - So, we haven't, they'll go through as rollovers for the end of the 2025-26 financial year. So they're not reflected in 2026-27 in the expenses table.

Ms LOVELL - Okay, thank you.

Ms KELLY - Table 2 outlines the funding allocated through appropriation under output 3.3 Community Services, for key deliverables that were funded in 2024-25 and 2025-26 budgets, but that continue into the 2026-27. But it does exclude items that are either in table 1, which I just talked about, or table 3, and I'll get onto table 3 in a second.

So, table 3 provides a list of competitive grants that are to be delivered in 2026-27 and their funding allocations. Just to note with those, for those competitive grants that were delivered this financial year, the list of successful applicants are included on the Service Tasmania website. So, the following applies to all tables that presents only the funding administered within output 3.3 Community Services, the funding allocations are current as of 27 May. There may be some changes as we head towards the end of the financial year. The funding figures have been rounded to the nearest whole value, and if you do a comparison with a question on notice last year, you would notice a couple that are out by \$1.00 or \$2.00. That is just because we did deeper analysis on those.

All figures are exclusive of GST. As I mentioned, the forward Estimates are indicative only, and will be subject to future budget cycles. And indexation has been included in the base or core funding, where applicable. So just to flag, as well, the package differs from the question on notice in November 2025, in that the new document only represents organisational funding that is ongoing. So those things that finished this year -

CHAIR - The current year?

Ms KELLY -Yes, that's right. So where it's concluded, it's not listed.

- Table 2 from 2025, which was one year, time-limited, 2024 election commitments, under output group 7.2 and 7.3, is not included, as all the commitments have finished.
- Table 3 from 2025, which is one year, time-limited other initiatives in the 2024-25 budget, under output group 7.2 and 7.3 are not listed, as all commitments have finished.
- Table 4 from 2025, which was the multi-year, time-limited 2024 election commitments under output groups 7.2 and 7.3, and Table 5 from 2025.

- And now in Table 2, in the 2026 listing, where the funding continues into 2026-27;
- and then Table 6, from 2025 community grants programs, under output group 7.2 and 7.3, and output group 3.3, is now in Table 3, in 2026.
- And, to flag the reason why I keep mentioning output group 7.2 and 7.3, is because last year we had an output restructure and 7.2 and 7.3 became output 3.3.

Ms LOVELL - Can I thank you so much for that, and for this. It's really refreshing to have something like this proactively brought to the table. So, I want to acknowledge that and say how much we appreciate that. I'll probably have to go back and read your *Hansard* of that explanation with this table, before I fully understand what we've got, but thank you.

Just to clarify table 3, if I can just clarify, that includes the community grants? Oh yes, you've got that on the front: that's 'community grants program' grants. And the one-year commitments that you mentioned that were 2024-25 one-year commitments that are not listed, are they - do you have a list of those that you can provide, similar to this, that shows - or was there a bit that was given last year, wasn't it in the question on notice?

Ms KELLY - Yeah, I think that was in last year's, yes.

Ms LOVELL - So we could find that last year, yes. And that would be outlined in last year's.

Ms KELLY - Yes, that's right.

Ms LOVELL - Beautiful. Thank you. That's very helpful. You've actually pre-empted a number of my questions, I'll just have to skip ahead now.

Minister, community service peak bodies have consistently been calling for five-year funding agreements to provide certainty, and support workforce retention. And I understand the government have made a commitment to rolling on to five-year funding for many of these organisations. What progress has the government made towards implementing five-year funding agreements, and how many community service organisations currently hold funding agreements for five years or longer?

Ms KELLY - Through you, Minister. So yes, we have been working hard on the longer-term funding agreements. And we've split that program into three different stages. The first stage was where we were focused on the peak bodies, and that has been complete in terms of, we have got agreement through, from government, that the list of peak bodies that we presented can now go into five-year funding agreements. So, as to the funding agreements come to the end of their term, they would transition on to five-year funding agreements.

Ms O'CONNOR - That's so good.

Ms KELLY - That is great. Yeah, it's really great.

Ms O'CONNOR - Overdue. Significant for the sector.

Ms KELLY - So now we're on to stage 2. So, stage 2 is around organisations who have been receiving funding for quite an amount of time, or for consistently, for a period of time, that -

Ms LOVELL - are core funding.

Ms KELLY - Yeah, core funding, or programs that have been in place for quite an amount of time. So, what we're doing with that, just to flag we have a governance structure in place with a government steering committee. The agencies that are relevant to community services and a working group. Each government agency is doing an audit of their organisations that fit into that stage two. Then are working on a case-by-case basis around pulling together the information and the details that are required to then present up through our secretary's board to cabinet for consideration around longer-term agreements.

The timing of that, is that the first tranche of that sort of first group of organisations we're looking at doing, leading into the next budget cycle, so we can get some answers on, or some certainty of 5 year or longer-term funding agreements for those organisations ready for next financial year.

We think stage two will take a couple of years because of the complexity of that. Stage three is then looking at the time limited funding, the really small or not small amounts, but the short-term programs.

A couple of other things to mention there. One is that part of the work we're doing in that stage two is also looking at the outcomes that come from our relationships with those organisations. Not just providing an organisation for a particular purpose, but actually looking at that and saying, how is that benefiting Tasmanians? How can we link that through?

Ms LOVELL – Outcomes-based funding.

Ms KELLY - Yes, outcomes-based funding. I think it's in Victoria, when they provide organisations with funding for new programs, they actually syphon off things 10 per cent or something. They use that to then go into a review of that program to determine the longer-term functionality.

The other thing I wanted to mention was we're working really closely with what's called the Coalition of Peaks. You might have heard of about them. We met with them, I think it was 17 April. We had a discussion with them and talked to them about a range of things, including fuel and the impact on the community services industry.

We also talked to them about longer-term agreements and the outcomes framework. We're in the middle of scheduling another session, which is likely to be probably early to mid-July with them. We're starting to see a real shift as well in terms of how we engage with the community services industry too.

As part of that work with the coalition of interest, we're working on a partnership agreement between government and the community industry so we can collaborate but also get some consistency in what the priorities for the industry are and how we can match that to the government. To try and get some consistency in terms of how we prioritise, say our resourcing, for example.

Ms LOVELL - Appreciate you may need to take this notice given the circumstances, but are you able to provide a list or a proportion of all the community service funding agreements administered by the department? How many are less than one year; how many are one to three-year funding agreements and how many are five years or more?

Mr ABETZ - Right, yes, that will be taken on notice. In my notes here I could not help but see, just read it, that its estimated government agencies were party to 434 funding agreements. There are quite a few of them around.

Ms LOVELL - Community services sector does a lot for government, so yes, there are. Chair, I do have more questions, but I know everyone will have questions.

Ms THOMAS - I have specific initiative questions. If you have more higher-level ones then you keep going. Thank you, and sorry if I missed what you said Nolene, in your very comprehensive overview. Can you just remind me what the figures in green are?

Ms KELLY – Green is funding where either we're funding it through our special purpose account, which generally we have funding in there for our gambling support program. But we do use that in areas like Neighbourhood Houses and so on. Green is also funding where we're putting forward through to Treasury at the end of the financial year to roll funding over from the previous, so from this financial year.

CHAIR - It's well spent money.

Ms KELLY - That's exactly right. We haven't been able to spend it this financial year; we roll that over. Also, where we might have funding that we've been given, funding for strategies or action plans. We might use that to provide specific project funding to organisations.

Ms THOMAS - Okay. Specifically in relation to the funding that will be going to Glenorchy City Council for the Moonah Multicultural Hub which is run by the Multicultural Organisation of Tasmania. I note there that \$75,000 has been allocated in green for 2026-2027, but then nothing in the out years beyond that.

Are you able to explain why that's only one year allocation and what the expectations are for -

CHAIR - Assuming the green money comes.

Ms O'CONNOR - It's also a bit of a pattern in this document.

Ms THOMAS - There's lots that are now filled in though, particularly for Neighbourhood Houses.

Ms KELLY - Yes, the Moonah Multicultural Hub will receive \$75,000 in 2026-2027 and that's been allocated from within our existing resources. There is a letter that's gone to Glenorchy City Council with a copy to MCOT (Multicultural Council of Tasmania) to let them know of that. That will be subject to budget submission for the 2027-2028 financial year.

Ms THOMAS - MCOT this time next year will likely be in a similar position again where they have staff on fixed term contracts who aren't certain about whether they're going to be extended until they know the outcome of the budget a couple of weeks before their contracts end.

Ms KELLY - That's the case in that there is no funding at this stage for 2027-2028.

Ms THOMAS - Why is that? Was there a submission for funding to be provided beyond one year for that purpose?

Ms KELLY - I'm not sure about that. I'm not sure whether there was a submission put in for that or not.

Ms THOMAS - No, there wasn't. Not by Glenorchy City Council nor MCOT.

Ms KELLY - Not that we saw.

Ms THOMAS - There was a submission only for one year funding or there was no submission at all?

Ms KELLY - Through our Multicultural Action Plan, it's something that we will talk to Glenorchy City Council and MCOT about in terms of future year funding on that.

CHAIR - I do appreciate seeing the core funding across all of these organisations with the out years there. In terms of the rising cost of delivery of some of the services like some that have provided forms of transport or require transport to deliver the services. Have we factored in the cost-of-living pressures that everyone faces in terms of fuel costs and other costs that are just part and parcel of delivery services in the community like this?

Ms KELLY - For the majority of organisations that have ongoing funding, there is indexation that's put in that.

CHAIR - What's the indexation?

Ms KELLY - Going in 2026-2027 it's 3 per cent.

CHAIR - Which is less than CPI.

Ms KELLY - And that will be reviewed in 2027-2028 ready for the 2028-2029 financial year. It is something that has been raised. We met with representatives of the coalition of interest each week on the fuel supply and how that impacts them. That is something they have raised in terms of the general cost to deliver services. Then the impact of increased fuel costs. Interestingly, some organisations are also looking at how they deliver their services now and looking at whether they need to adjust that slightly to respond to that.

CHAIR - We probably talked about this last year, but I'm probably a bit brain dead by the end of the day, but the booster funding that basically runs out after this year.

Ms KELLY - Is that for Neighbourhood Houses?

CHAIR - For lots of organisations but particularly Neighbourhood Houses. I'm looking at Neighbourhood Houses now, but I notice it's across other providers as well.

What is the purpose of that? Is this to help that additional cost of service delivery, or is there other things? Why was that put in place? I can't see, except for a couple of spots, I think where it does continue beyond this financial year we're looking at in this year's Budget.

Ms KELLY - Through you, minister: the reason why different organisations will have booster funding will vary depending on the financial year it was provided, what purpose it was for, and what organisation it was for.

CHAIR - It's for different purposes for different organisations?

Ms KELLY - That's right. For Neighbourhood Houses, that will be considered as part of the work that's underway around the needs analysis that's happening at the moment, which is looking at the overall funding for Neighbourhood Houses and also governance and other matters relating to Neighbourhood Houses. We expect that there will be narrative in the review that's done, of the needs analysis that is done, around booster funding and also potentially the Community Connector Program funding, which is also listed in that table as well for Neighbourhood Houses.

CHAIR - So, the needs analysis, how far down the track are we with that, because that was committed to some time ago now?

Ms KELLY - Through you, minister: that was announced last November. We have engaged, effectively, three consultants to work on this and consultation has commenced. My understanding is that one of the consultants, KPMG, who are doing a core part of that work, met with Neighbourhood Houses Tasmania last week, I think it was. So, the consultation is fully underway. The timeframe for the needs analysis is with the aim to have the review or the recommendations come back in time to inform the budget cycle for the 2027-28 financial year.

CHAIR - So, we may see things change after that period in terms of the amount of funding?

Ms KELLY - That will be a matter for government, but -

CHAIR - A matter for the Treasurer.

Mr ABETZ - Government.

Ms LOVELL - Can I just confirm what the needs analysis is looking into specifically, was that Neighbourhood Houses?

CHAIR - It was a needs analysis of Neighbourhood Houses. Just looking at the appropriation budget for Community Services on page 219 of budget paper 2: is that work by KPMG being funded out of the 2026-27 Budget, like the \$33 million effectively?

Ms KELLY - Through you, minister: that's been funded through the 2025-26 Budget, however we're going to put forward a request to Treasury to carry forward some of that funding as well.

CHAIR - When you look at the out years here, it drops away quite significantly. We noticed this last year. Is that because of the gaps in that table that you've provided, is that why?

Ms KELLY - Through you, minister: that's where you see a lot of those time-limited commitments finishing.

CHAIR - We've been told by the Treasurer earlier today that every department is required to make efficiency savings. Operational efficiencies, numbers are outlined. It's impossible to tell from the DPAC paper how much this is allocated to Community Services. What's your task in that? How much have you got to save or cut out of your budget in operational efficiencies?

Ms KELLY - Through you, minister: Department of Premier and Cabinet are addressing their budget savings as an organisation, as a whole agency, rather than specifically around each output. However, what I can say in relation to Community Services is that we are focusing on our salaries and non-salaries in terms of how we can make savings there. We've had a couple of positions that have been temporarily vacant that we haven't filled over the past 12 months. We have one position where a portion of that position will move to the Department of Health as part of the move of the Ageing portfolio and the other part of that position will be made a saving. We've also been looking at our non-salaries and things like -

CHAIR - It's a saving for you, but not for Health.

Ms KELLY - Through you, minister: they are part of a position. A part will go to Health and the other part of that position will go up as a saving. We're also looking at non-salary savings as well, around things like travel and other costs, so -

CHAIR - Of the \$33 million roughly in the appropriation for this line item, how much of that is made up of salaries?

Ms KELLY - Through you, minister: we have 21 FTE and that includes staffing for the Tasmanian Community Fund as well, of which there are three-and-a-half staff, 3.5 FTE.

CHAIR - What's the budget for those staffing, then? If I was to ask you to break down this figure - I think we did this, asked you last year - how much are salaries, how much are supplies and consumables, which is fuel, travel, whatever, IT, all that sort of stuff. Other than the money that's directly going to community service organisations, can we have a look at what the department costs are, if you like?

Ms KELLY - Through you, minister: to get the exact figure I'd have to ask the minister if we could take that on notice, but I think it's about \$2.4 million. Yes, it's \$2.5 million.

CHAIR - 2.5 in staff, or is that in salaries?

Ms KELLY - In salaries, yes.

CHAIR - In salaries, yes: and what about the other non-salary costs that are incurred? I'm just looking at the total amount out of the \$33 million that goes to like the system management, if you like.

Ms KELLY - Through you, minister: I think we will have to get that for you.

Mr ABETZ - We'd take that on notice, yes.

CHAIR - Has someone got it? Taken on notice?

Mr ABETZ - Taken on notice, thank you.

CHAIR - Please take it on notice.

Ms LOVELL - Just on those staffing numbers. So you said 21 FTE, and I'm assuming that Ageing position will come out of that 21? A question, first of all, on that position that's moving to Health. So that, at the moment, is a one FTE position, is it in communities?

Ms KELLY - Through you, minister: yes, that's right.

Ms LOVELL - But it's moving as a part position?

Ms KELLY - That's right.

Ms LOVELL - Has the one FTE - has that just been on the Ageing portfolio or they've been doing other work as well, so the just the ageing part be moved?

Ms KELLY - Through you, minister: so 0.4 of that position has been working on Ageing, but we have - in our area, we have staff working across lots of different cohorts. So, it's very hard to say we've got - we can look and estimate how many FTE we have on each particular thing, but given any particular day where priorities are happening, or we're developing a particular strategy for a particular cohort, then we tend to have quite a fluid use of our resourcing across those priorities.

Ms LOVELL - The minister mentioned before the number of funding agreements that are administered by department; how many staff are responsible for managing those funding agreements?

Ms KELLY - Through you, minister: so, the number that the minister quoted before was - I can't remember what year -

Mr ABETZ - 2024.

Ms KELLY - 2024: and that was across community services industry, across all the relevant agencies that have community services. That was Department of Health as well and Education and so on, so that number didn't apply directly to us, and I can't remember the second part of your question.

Ms LOVELL - The second part of my question was: how many staff are responsible for administering funding agreements?

Ms KELLY - So, through you, minister: that's a really good question. The way we structured is that we have a grants team and the grants team actually lives within Service Tasmania at the moment. They administer grants across Department of Premier and Cabinet,

and they have, I think, six or seven staff, but interestingly last year we had an audit done through our internal auditors, Wise Lord & Ferguson. They made some recommendations around the way we administer grants within Department of Premier and Cabinet, and we instigated that out of the review that was done into the Department of Health, just to do a health check and see what it was looking like, and one of the recommendations that they made was that we actually look at the business ownership of our grants. So, the funding lives within 3.3 community services, but we had cases where the grants team were actually administering those grants on behalf of community services but didn't have responsibility for the money and didn't have responsibility for the relationship with the organisations. We are going through a process at the moment where we still maintain the expertise and the knowledge of the grants team on helping our Community Services areas with risk assessments and actually writing the grant deed and administrative sort of function and expertise with that. But then our Community Services area is taking on more in terms of managing holistically that grant arrangement.

Ms LOVELL - How many are in the Community Services team, not the grants team, but how many staff have you administering funding agreements?

Ms KELLY - That's the 21.

Ms LOVELL - So, everyone?

Ms KELLY - Probably, mostly, yes. Even Karina and I do bits of things when needed.

Ms O'CONNOR - I'm just trying to understand and think we're sort of digging into this space a bit, but on page 219, output 3.3 across the forward Estimates, the funding for Community Services effectively halves. The first thing I want to say is I know you're doing a great job here. Thank you, you've got to carry a lot of the weight here tonight, I'm sure, under the tutelage of the minister here, the acting minister.

Thank you, but the funding effectively halves. For us to be able to have a kind of granular understanding of what that is. Given we've established this 21 FTEs and the salary bill for that those FTEs is about two and a half million dollars. There's still a lot of money that is coming out of communities, so just to just to maybe step us through all of the elements of how the forward Estimates has come to look like that would be helpful.

Ms KELLY - The forward Estimates are estimates and they are subject to future budget submissions. The other thing to mention there is that we also get funding through, I mentioned before the Community Support Fund for the Gambling Support Program as well and that won't be shown in the appropriation. The appropriation also won't show anything that we carry forward or roll over to the next financial year. It's subject to future budget cycles as well. There are a range of programs that are in place now like time limited programs or recurrent or programmes that might have been in place for quite a few years. But at this point in time there's not funding in the forward Estimates for those. They will be subject to to budget, process and consideration of government.

Ms O'CONNOR - At a time when the expectation of government is for all agencies to live within the means of government has said they have, it's still a lot of uncertainty for the community sector broadly, isn't it? I'm really conscious of not trying to put you in a difficult position because you're not the minister, but that's a halving of community's budget. Is most of

it about the out years of Community Service organisation funding? Might I add funding agreements that are expiring or that sort of thing?

Ms KELLY - There's certainly a large percentage of a large portion that is recurrent or time limited would be in that regard. One of the things I might mention there, and I am really conscious there's a lot I can't comment on there because it's not my role.

Ms O'CONNOR - Their policy and decisions of government.

Ms KELLY - That's right, but one thing I will mention there is I'm really excited about the work we're doing with the coalition of interest. We are making those connections and that we will be working with the coalition of interest in terms of the future of the industry and what that funding might look like. It's certainly something that I think that in future budget cycles we will be going to future budget cycles with some further clarification on longer term agreements. As government considers what we put up for example, through stage 2, tranche 1 for this cycle coming forward, that is then locking in funding for up to five years for those organisations. I'm not sure if I've answered your question correctly.

Ms O'CONNOR - You've had a good crack at it. I know it's a difficult situation for you to be in. Is what you're saying is that through that connection, that collaboration with the community sector that (a) there will be budget submissions that come up; but also, (b) there might be some efficiencies found in working together.

Ms KELLY - Yes, that's right. It's really around looking at an alignment of priorities. Where we might through the budget cycle go to government and say these things are coming towards the end of their funding arrangements and this is the impact if they're not funded going forward. If we're working with the coalition of interest and the organisations around what are priorities for them as well, then you will start to see alignment in terms of those priorities going up to government for future consideration.

What we hope as well is through the longer-term funding agreement programme that will actually be getting agreement on that and locking in that funding for that longer period of time.

Karina's just mentioned something there also. The Community Services strategies and the action plans and a few of the action plans are due to be delivered this year. That's really also around working with those particular cohorts and also government agencies to identify what those actions and outcomes are that we want to achieve in each particular cohort. Then put funding bids forward through the budget cycle to actually support those actions where they require funding. There are some actions that are about connection and working closely with other state government agencies or federal government agencies, but there are actions that require funding as well and they help guide that.

Ms O'CONNOR - Those budget bids would be coming up through communities, but also through the work that you're doing with community service organisations. It's a process where the requests or a shrinking pie will become up through the agency or through communities and the sector.

Ms KELLY - Yes, that's right. What we're really looking for there is or trying to work towards is to be able to from our part go to government and say look, these are the priorities that we're hearing from the Coalition of Peaks and, and from other organisations. I know that

organisations put bids in through Treasury, but what we're looking for is from our administrative point of your bureaucratic point of view, sort of going up to government and saying, look, we've been working with the industry on this, these are these are really important things.

The Neighbourhood House needs analysis is a really interesting example there. It sort of differs a little bit and we are certainly working with the Coalition of Peaks, but that's a really interesting one where the sector, if we call them a sector, have said that the need in the community is outstripping the funding that they're getting. So, government is undertaking that needs analysis to determine what that looks like.

Ms O'CONNOR - It's ever thus though, isn't it? I mean, whether there are the needs in the community, whether you look at the Health system or housing, the Community Support Fund or the Community Support Levy. Would you mind reminding me how that comes out of the gambling expenditure and how it's expended within Communities Tas? Some goes to harm minimisation programs; some goes to Neighbourhood Houses. Does that basically max it out.

Ms THOMAS - Some goes to sport.

Ms O'CONNOR - That's right, yes sports grants.

Ms THOMAS - Yes, sports grants.

Ms KELLY - While Karina's finding something for me to give you the broad overall approach from our approach, in terms of community services, and we run the gambling support program. We put in a submission, or a bid, each year to the fund, and request funding. Typically we have received around \$5 million or thereabouts, \$5.1 - 5 million. Our submission actually is divided into a number of different programs. There's the compartment on providing funding for online, phone, and in-person gambling support. Focusing, I just remembered to say we're focused on the non-regulatory gambling harm minimisation. There's a component that is on the services, a component on community education. Actually, we're just about to in July relaunch the Know Your Odds campaign, which is really great. We've had a refresh of that. We do research. There's a research program we've just received back on sports betting in young males, which is a very concerning, but really interesting research piece of work. The research we do, is sort of target research that would then help inform our education programs, and those sorts of things going forward.

Ms O'CONNOR - I'm looking for a bit of breakdown at how the Community Support Levy is distributed now.

Mr ABETZ - Sorry, I got distracted. Sorry, so what was the question again, please?

Ms O'CONNOR - To understand how the Community Support Levy, which establishes the Community Support Fund, is dispersed within communities. Noting that it sits in Treasury, just to understand the breakdown of the expenditure through the Community Support Levy by Communities Tasmania, and Treasurer if you know if there's any spare monies sitting in the Community Support Fund?

Mr ABETZ - Yes, I think there is at the moment. But generally, I think we have designs on it.

Ms O'CONNOR - Well, I'd be very interested to understand what those designs are, and whether they're an investment in the community, as someone who used to administer this part.

Mr ABETZ - It is for the purposes of harm minimisation and, with that which we were talking about earlier.

Ms O'CONNOR - Oh I see, okay.

Mr ABETZ - For the facial recognition.

CHAIR - Self-exclusion part?

Mr ABETZ - Yes. Self-exclusion, the back office and I can't say too much about it, but I think we have agreement from industry they will fund some of that.

Ms O'CONNOR - Yes, I'm sure. The least they can, but yes.

Mr ABETZ - That we will be looking after the back-office stuff to make sure.

Ms O'CONNOR - You mean the regulatory, or?

Mr ABETZ - No, the that which is shown on the camera goes to -

Ms THOMAS - A software program.

Mr ABETZ - that government runs.

CHAIR - You will host that?

Mr ABETZ - Yes, we will control that.

Ms THOMAS - IT platform or something?

Mr ABETZ - Yes.

Ms GLADE-WRIGHT - What's the current balance of that fund?

Mr ABETZ - I wish I knew, and I don't know that off the top of my head.

CHAIR - Someone may be able to give that to you.

Mr ABETZ - Yes.

Ms O'CONNOR - Could you just remind us how the CSL is extracted, where, the percentage of it, and exactly where it comes from in gambling expenditure? It's not reserved by law. Well, it might be. It's quite a hard sort of percentage that's taken out to put into the CSF.

Mr ABETZ - Community Services Levy, which goes into the Community Services Fund.

Ms O'CONNOR - That's right. It used to be about 2.50 per cent of something.

CHAIR - The profits from gambling, wasn't it?

Ms O'CONNOR - Something like that.

Ms THOMAS - Here it is. That's the split, anyway.

CHAIR - While other people are maybe trying to do determine the balance of the fund, and how such money is in there. Can I go to a slightly different area? This flows on a bit from what Cassy was asking about the reduction in the budget overall. You did talk a little bit about how you'll be making some of the savings that's required under your area. Do you expect any redundancies to be required to meet your savings targets?

Ms KELLY - No, I don't see any redundancies required. It's probably more a question of whole-of-agency level rather than specifically for the Community Services area.

CHAIR - But if we had the whole of DPAC here, I would ask every one of them, because this is a bit of a discreet area within the Department of Premier and Cabinet. I'm just trying to understand where the people are going from.

Ms THOMAS - A follow up to that perhaps we heard earlier from Treasury about the approach they are taking at a departmental level, asking each of their outputs to come back with a work plan. I'd be interested to know if you have any understanding of DPAC's approach and whether you've been asked by your secretary to come back with a work plan or particular savings strategies, whether it be redundancies, not filling positions, or changes to functions in your output.

Ms KELLY - Certainly, each area, if you like, has been asked to consider how we can make savings.

CHAIR - Was that prior to the Budget's submission this year or is that since then?

Ms KELLY - Prior to the 2026-27 Budget coming down. We've been doing it over the last few months. We've been looking at how can we certainly reduce our non-salaries. For example, like where have we got money that we can do things differently, like travel and those sorts of things. But also where in terms - and you've probably heard this through Treasury - certainly our agency has what's called an establishment management committee. When we have a vacancy, that goes to the establishment management committee for consideration and there are discussions on what the impact is if that position's not filled. Also, whether or not there are any other resources within other areas that might be able to fill a particular gap. Whether we can actually look at different ways of filling that position in terms of whether it's at the same FTE and level and so on.

CHAIR - Are you expecting then - has the secretary asked of you to prepare a plan to show how you're going to meet your bit of the task?

Ms KELLY - We've certainly put forward what's achievable at a basic level on what we can do. The example I used before about that position where 0.4 is going to Department of Health with older Tasmanians and 0.6 is being offered up as a saving. That was something that

we have put forward to our organisation to say that by reprioritising some work that we're able to put that up.

CHAIR - Point 6 disappears and 0.4 goes to Health in that one. So, that's a legitimate genuine savings. Do you have any vacant positions at the moment?

Ms KELLY - Through you, minister, we do have some vacant positions and they're subject to the Establishment Management Committee that I was just talking about before. They go up and are considered through that. Some of those vacancies are short-term vacancies. They might be because someone's on secondment to another agency. We've got one staff member who's on maternity leave who's due back fairly soon. Some of them are short-term vacancies that we may or may not fill.

CHAIR - Do you have an obligation to offer a person maternity leave, the right to come back for legal obligation?

Ms KELLY - She said she'll come back.

CHAIR - You also said some of them might be filled.

Ms KELLY - Oh, sorry, on a temporary capacity. For example, we might have a staff member who's on the secondment or might be on maternity leave, we may or may not fill that position for that period of time, but certainly when our staff member is due back in a few weeks.

CHAIR - I'll rephrase the question. I misunderstood what you were saying there. Have you got any vacant positions that you don't intend to fill?

Ms KELLY - Through you, minister, only the one that we've talked about, that one that we're splitting 0.4 and 0.6. Certainly our other vacancies the plan is to put up through the Establishment Management Committee for consideration to fill in. It may be that we're told, no, that we can't feel them for whatever reason, and it might be that we have staff in other areas that can fill them.

CHAIR - Other areas of community services.

Ms KELLY - Other areas within Department of Premier and Cabinet.

CHAIR - What concerns me a little bit, say, that was the case. If there was a vacancy in Community Services, a legitimate need for it to be filled. So rather than recruit someone to it, you recruit someone from somewhere else in DPAC. That somewhere else in DPAC, do you count that as a saving?

Ms KELLY - Through you, minister, it depends on whether they then fill that position in another way or not. But yes, sometimes it might be that you're down one position or one person.

CHAIR - Like the saving over the counter once. Is that the expectation? Wonder if that's your expectation, Minister; vacant positions whether they're filled or not filled will only be counted once?

You're not going say you've not filled a vacancy that's a legitimate saving, but if you've moved someone from somewhere else, that's counted as a saving across the broader department. That's not really a saving, is it?

Mr ABETZ - No. If you move one from one area to another, no.

CHAIR - You can't **count** that as a saving? Unless you move them down a rung, that would be a bit tricky, wouldn't it?

Mr ABETZ - I would have thought that would be difficult given the -

CHAIR - *State Service Act.*

Mr ABETZ - Yes. That would be interesting.

CHAIR - Probably impossible.

Ms KELLY - In relation to the Community Support Funds. Each year the Community Support Fund is \$8,360,000, and that's derived from a 3 per cent levy on casinos -

Ms O'CONNOR - Gross profits?

Ms KELLY - Yes. Four per cent on clubs, 5 per cent on hotels. And if the amount doesn't reach that \$8,360,000 figure then the government tops that up.

CHAIR - Any thought to increasing those percentages, Treasurer?

Mr ABETZ - Not at this stage.

CHAIR - We did try that previous time, didn't have any luck then either.

Mr ABETZ - Thank you. All good.

Ms GLADE-WRIGHT - Can you tell me please about Equality Tasmania and working it out? It looks like they're losing their funding, but I think I heard you say something about they can make bids for elements in their action plans. Is that right? Did I get that right?

Ms KELLY - Through you, minister, so, we do have funding from last year that we're aiming to carry forward into 2026-27 for the new LGBTIQ+ strategy that was launched late last year and that we expect from some of that funding that we'll work on, with working it out with Equality Tas around those actions and tie them to funding for them.

Ms GLADE-WRIGHT - And when that's exhausted what happens?

Ms KELLY - We go through the budget cycle process to bid for more funding for that particular program.

Ms GLADE-WRIGHT - Okay, thank you. I'm here representing West Winds and the Geeveston Neighbourhood House. Can you tell me a little bit about the Community Connector Program and the decision to double it?

Ms KELLY - Through you, minister, the Community Connector Program has been running for a couple of years now, and it's about having resources within each Neighbourhood House, as the name suggests, to connect to community, connect community members to particular services and programs, and there's been funding in the in the Budget through until, there's a little bit in 2028-29 but there was Community Connector Program funding to 2027-28. There was a decision made based on a request from Neighbourhood Houses Tasmania to bring forward the 2027-28 Community Connector funding into 2026-27 and what that means is it basically gives Neighbourhood Houses about an extra \$62,000 in 2026-27. It basically doubles the amount of money they'll have for the Community Connector Program. So, other than a tiny amount - and you'll see it in the table - that Community Connector Program funding basically runs out at the end of 2026-27 because it's been brought forward, and the expectation I think is that the Neighbourhood House needs analysis will consider the future funding for Neighbourhood Houses, but in particular part of that will be also the Community Connector Program and whether it's seen as valuable and how it should be funded going forward.

CHAIR - How do you measure the outcomes of that, or how would you, sorry?

Ms KELLY - Through you, minister, the consultants will go through their interviewing Neighbourhood Houses' boards and managers. They're working with Neighbourhood Houses Tasmania and we're also getting profile data and analysis for each community and bringing all that together, and there will be a range of recommendations, and it will be a government decision in terms of funding going forward in that regard.

CHAIR - Thank you, Sarah.

Ms LOVELL - Thank you. I just want to go back to the conversation we're having before with Cassy and I apologise if I missed some of what was said. I was trying to multitask with that question on notice, so I might have lost focus for a moment, so if I repeat anything you can tell me. Just the discussion around the demand for community services, and I know you've got the needs analysis happening for Neighbourhood Houses Tasmania. Are there any other kind of formal measures or mechanisms that the department uses to measure the unmet demand in particular for community services across the sector?

Ms KELLY - Through you, minister, really, I suppose that it happens in a number of different ways so the community services industry actively engages with government and does that formally through the budget process, but also throughout the year, around programs that they're offering and supports that they require. And also, we work with organisations throughout the year as well and, through that, raise with our relevant minister around priorities that we see. And, I think I mentioned before about the Coalition of the Peaks and the work that we're doing there, and looking at how we can collaborate, really, or align priorities as well, so that government is hearing from the different channels, similar requirements in terms of that.

Ms LOVELL - Do you collect any information on waiting lists or incidents where they've had to refuse service, or not been able to meet the request for demand that they're seeing through various organisations? Do you collect that data at all?

Ms KELLY - Through you minister, our grant deeds have particular KPIs that are relevant to those particular organisations. And, as well as the KPIs and the regular reporting that they provide, our team meets with different organisations around the services that they're offering and their needs. So, that comes through in that way. We don't formally, sort of, request

that, but the other thing, and using Neighbourhood Houses again as an example, we get a census data from them a couple of times a year and that's where you start to look at that trend over time, to see the number of people that are coming to participate in Neighbourhood House programs and activities. And, you might see that that's increasing and really, there's been a number of reasons why I think the needs analysis is being done, but that's part of it, in terms of that increasing demand from the community and what the Neighbourhood Houses are able to deliver with the funding they get.

Ms LOVELL - I think that'll be really informative piece of work, actually. That census information that you get from Neighbourhood Houses, do you get that from all of the organisations that you fund, or just Neighbourhood Houses?

Ms KELLY - Just the Neighbourhood Houses. Each organisation will have different KPIs that they report on.

Ms LOVELL - And does the department anticipate demand for community services increasing or rising over the forward Estimates, given what we've seen in previous years?

Ms KELLY - Through you, minister. This is just my opinion, to be honest. My opinion is we're seeing that happen now, through the fuel supply and the increase in fuel costs and things like that. That's certainly - organisations are saying that to us. But that's just my opinion.

Ms LOVELL - My next question, I will put it to the minister.

Mr ABETZ - And in recognition of that, the \$500,000 for the food providers was made available.

CHAIR - So, it's anecdotal evidence you hear?

Ms LOVELL - Thank you for that answer. I don't want to put you on the spot. I'll put my next question very clearly to the minister. Minister, given that, how do you reconcile - what I think we can all expect an increase in demand, with a reduction in funding over the forward Estimates?

Mr ABETZ - I think the departmental officials have explained how some are running out for the various organisations.

Ms LOVELL - Oh yes, I understand why we're seeing a reduction in funding, because of those contracts and various programs ending, but how do we reconcile a reduction in funding with an increase in demand? I know you've only been the minister for an hour -

Mr ABETZ - Not even that.

CHAIR - No, he's only acting at the moment.

Ms LOVELL - But you are the Treasurer, too. To me, and you know, if you are happy for your officials to answer, great, I -

Ms KELLY - Through you, minister -

Mr ABETZ - If you feel comfortable.

Ms KELLY - Sorry, and I'm not sure whether I'm going to answer your question, but I'll say this bit, and then you can answer your question again. I think what we've seen for a long time is that we are funding community organisations based on outputs rather than outcomes. So, we'll give this organisation this amount of money to deliver this particular program for this amount of time and then that comes to an end and you might have had 100 people turn up and really love that program and think it's really great, but for government, how do they actually determine the difference that this has ultimately made in the community and in people's lives? That's where moving to this outcomes framework, which is part of stage 2 of the longer term funding agreements, will help with that to determine, and that'll be based on the wellbeing framework as well that was launched late last year around those elements that make a good life in Tasmania, which is something that TasCOSS were particularly working on. So, I'm not sure if that's answering your question?

Ms LOVELL - It doesn't entirely, but I'm not going to push you on it because I understand the position that you're in. I guess, for the record, I would say, I don't think those two things reconcile, particularly increase in demand and a projected decrease in funding.

CHAIR - We'll leave it there for now?

Ms LOVELL - Yes.

Ms THOMAS - I just want to go back to the Neighbourhood Houses funding to start with. Last year, I recalled we had a conversation about the capital improvement program funding, and I can't seem to see that listed in the Budget anywhere. Can you point me to where that should be found? I think it was, was it \$6 million?

Ms KELLY - Through your minister, that's different to the booster funding. So yes, there was \$6 million and I'll just get my table up so I can look at the year that that started.

CHAIR - It was \$2 million in 2025-26, something like that, wasn't it?

Ms KELLY - Yes. So, that started in 2024-25 through to 2025-26, 2026-27. So, we have that funding available. That is something that hasn't progressed as quickly as we would like, in terms of addressing the, expending the money, but actually supporting Neighbourhood Houses in terms of the needs that they've got, in terms of that capital improvement program. There was some work that was done through the last CIP round, and we did an assessment of each house and had like a register, if you like, of things that needed to be fixed and some of those were done through previous funding. We're about to go back out to houses to get an update on what their building issues and facilities issues are, and any outstanding works that were from that list. Then we'll use that funding and prioritise that for those fixes. But I will say, through your minister, that this that hasn't progressed as quickly as we would have liked.

Ms THOMAS - So, where is that \$6 million showing in the budget papers?

Ms KELLY - So that's in our appropriation.

Ms THOMAS - It's in your \$33 million?

Ms KELLY - Yes.

Ms THOMAS - Right.

[inaudible]

CHAIR - We will write you the question about the breakdown of salaries and non-salary items, et cetera. Can you actually break it right down to, you know, this is obviously there's capital expenditures different from operating expenditure for the community organisations and Neighbourhood Houses, et cetera. It's just, this money - well, from the budget papers you can't tell. That's why you're asking the question Bec?

Ms THOMAS - That's right, that's my concern, and my concern is it gets lost, and we've got more government assets that are potentially falling into disrepair because they're not maintained to the standard that they ought to be. I guess, in terms of talking about these Houses as government assets, do they sit on the asset register of DPAC, or where do they sit, and how will they be considered with this new Building Tasmania, which is going to take over all assets apparently?

Ms KELLY - Through you, minister. So, the majority of Neighbourhood Houses live in houses that are owned by Homes Tasmania. There are a couple that I think are owned by DECYP and a couple by council. But the Neighbourhood House capital improvement program is listed in table 2 of the new document, on page 13.

Ms THOMAS - Right, okay. It's \$2 million a year, but it hasn't been expended in 25-26 is what you're telling me, so will there be a request to be rolled forward to 28-29 or \$4 million spent in 26-27?

Ms KELLY - We'll roll it through into 26-27 and spend as much as we can, but some of the 26-27 might have to roll over into the following year if we don't get to spend all that money.

Ms THOMAS - Get it spent before they take it. Also on Neighbourhood Houses. The connector program doubling is a one year fix clearly so, I think just to be clear, what you're saying is that the outcomes of the Neighbour House needs analysis will inform investment decisions going forward with the connector program or increase peak core funding to houses, those are investment decisions that will await the outcome? The government will await the outcome of the needs analysis before they make those decisions?

Ms KELLY - That's right.

Ms THOMAS - On that needs analysis - and sorry if I had zoned out before when you're talking about this - but I know the consultant's been procured. My understanding is to do that work, but when did you say you expect it to be completed?

Ms KELLY - If you like, I can go through the consultation framework with the dates. We are expecting it to be delivered in October of this year in preparation for the next budget cycle. In early May, there's been meetings with the manager or the CEO of Neighbourhood Houses Tasmania and key staff on the board to seek their feedback in terms of the consultation process and what that might look like and then in June - sorry, just before I say that. We have now got contracts in place with the three providers, and just to explain those: KPMG has been

engaged to do the main report. Profile.id is the company that's been engaged to do the profile data of the community organisations and they're also undertaking a broader survey that anyone can address, and they'll be analysing that data.

The third organisation that we've engaged is 3P Consulting, and in particular Kym Goodes, as she's very well known and loved in the Neighbourhood House world, and she's really a support to the consultants and to us through this process. She has been engaged around the consultation framework and she's also looked at the surveys and she's meeting quite regularly with us and the consultants to ensure that the needs of the houses and the community are taken into account.

The three are engaged. My understanding is KPMG met with Neighbourhood Houses Tasmania last week, as I mentioned. Later in June, there'll be some regional roundtables, so all network houses, members of NHT and non-members will be invited to attend roundtable discussions and there'll be one in each of the regions, north-south and north-west and that'll include opportunity for the board members, the house managers or key personnel to participate in those.

CHAIR - Can I just classify then, like people from Phoenix House in King Island can come to that and how will they be supported to get there?

Ms KELLY - Yes, absolutely they can participate in that. We haven't worked out the logistics of how that will work, but we will take that and have a discussion with them.

CHAIR - Also on the west coast: there's Zeehan, there's Rosebery, Queenstown, you've got these very remote communities. It's a big effort for them. You're trying to cut down travel in your department. You're asking them potentially to travel.

Ms KELLY - It is an important point you make. The other thing I think I'd say there is there's real value in the Neighbourhood House managers, board members coming together and having that discussion, so they're discussing as a group as opposed to individually.

CHAIR - The question is, would they be facilitated to do that if they use their own budgets to travel?

Ms KELLY - There's also an online one, as well, where more remote organisations might be able to -

CHAIR - It's not the same as being in the room when these discussions are had.

Ms KELLY - And also opportunity for one-on-one as well. There's also a house survey that will be undertaken during May-June. That gives people also the opportunity to do it, not just face-to-face, but through that. There'll be about three or four weeks for people to respond to that.

The survey that I mentioned before, the profile.id will be doing: that will be undertaken in May-June as well and that'll be three to four weeks. Then there will be targeted one-on-one interviews to be held with a mix of houses. That's really to deep dive into particular topics or issues that particular houses might be having. That'll include a mix of board members plus house managers, to be held in July.

I've already talked about the community sector expert being 3P Consulting. Then additional consultation may occur after these forums and the survey and things like that. There may be some additional consultation required.

In terms of the ultimate timeline there, we're looking at - the consultants have been engaged; the engagement of the community sector expert will be for the full period of time. The needs analysis consultation essentially goes for eight weeks. We're looking at completion date towards the end of July for that. The community needs modelling that Profile.id we will be doing, is eight weeks. We expect that to be completed by mid-July. The needs analysis draft findings we expect to come through in probably very late August to September, with the final report and the recommendations coming through for government's consideration in September-October.

Ms THOMAS - Okay, acting minister, I guess, I know this is difficult given you're acting minister, but will you as acting minister make a commitment then that the findings of these pieces of work that are being done, these analyses, will be released and acted on and presented to the Neighbourhood Houses sector in time to inform their budget submissions to government? It's going to be very tight. If government's receiving the findings in October, they need to get budget submissions in November, December at the latest. Will you make that commitment?

Ms KELLY - I expect that this will - without wanting to speak on behalf of a minister - I would expect this will be a high-priority for a new minister to focus on this and for us to undertake the briefings. The other thing to mention as well is that we'll be getting that early draft in August-September, so we'll be able to start having those preliminary discussions around what the analysis is telling us and the sort of themes that are coming through that.

Ms THOMAS - Acting minister, whether it's you as the minister or not, will you make a commitment that as Treasurer you'll take a keen eye on the findings of this? Given the importance of this funding to the community sector and the fact that this Community Connector Program particularly is time-limited now as it sits in the Budget now, it's very important to the community - can you make a commitment that Neighbourhood Houses will be no worse off in 2027-8?

Mr ABETZ - The government will take account in its decision-making the findings of the analysis.

Ms THOMAS - You won't make that commitment that Neighbourhood Houses will be no worse off?

Mr ABETZ - We can play the rule-in rule-out game, but -

Ms THOMAS - It's not a game. It's very important to the community sector.

Mr ABETZ - The government's commitment to community houses, I think, has been shown in this budget. What the future holds, I'm not going to be committing this evening.

Ms O'CONNOR - Thank you, Chair. If we can go to page 12, just for clarity - sorry, on community houses and off the back of Bec's questions - the gap in the forward Estimates for the Community Connector Program is partly explained by the fact that it's been front-ended to this year, isn't it, and then what's the \$9,500 about again?

Ms KELLY - Through you, minister: this one's a little bit complex, and without going into too much detail, we had a shortfall in the Community Connector Program. We put a funding request in to meet that shortfall over the forward Estimates, and that funding went beyond the actual main amount of the Community Connector program. We've brought the bulk forward, but we've got \$324,000 in the final year. If you split that up amongst the Neighbourhood Houses that gives you \$9000.

Ms O'CONNOR - I'm sure it will be put to very good use. Page 12 of the document that's before us is funding for elder abuse prevention in migrant communities and amongst older Tasmanians, but there is, again, the out years gap. MRC, which had a time-limited elder abuse prevention program up north and south, has nothing from next year onwards. Is there any indication of what the intention is there in terms of maintaining the elder abuse prevention capacity? I note also that there's been an extra allocation to Relationships Australia, which I presume is an election commitment. The green is funding from other sources. Maybe you could explain the \$400,000 over two years for Relationships Australia relating to elder abuse prevention, that's the elder relationship service; where does that money come from? Is that Commonwealth funding? But also, what's the projection of how those extra elder abuse programs will be funded?

Ms KELLY - Through you, minister: that actually comes in under the responsibility of the Ageing minister, and the reason why it's in this spreadsheet, and I think we might have talked about this last year, is that the funding for older Tasmanians sits within output 3.3 at the moment, but because -

Ms O'CONNOR - And then it will go to Ageing.

Ms KELLY - It will move to Department of Health from the beginning of the new financial year. However, we also administer that fund, so we can answer that question now, purely from a funding point of view.

Ms O'CONNOR - Yes, thank you. That would be good.

Ms KELLY - We identified funding within our budget to enable the Relationships Australia Tasmania Elder Relationship Service to continue, and sought the approval of the Minister for Ageing for that. The funding came from the Elder Abuse Action Plan, unspent funding through that. We requested through the minister to continue the Relationships Australia funding for those two years, but as per other areas, that will be subject to a budget cycle process in forward Estimates. In terms of the Welcome Cultural Services and the Migrant Resource Centre Tasmania, there is a budget commitment in 2026-2027 under the key deliverables table that provides that \$50,000 in 2026-2027, and again, any further funding for that will be subject to the budget submission process.

Ms O'CONNOR - Is Relationships Australia operating the Elder Abuse Helpline?

Ms KELLY - Through you, minister, that's Advocacy Tasmania, which is recurrently funded.

Ms O'CONNOR - The Relationships Australia funding, what is that service?

Ms KELLY - Through you, minister: more of a counselling-type program. If you flip back to page 11, just under Older Tasmanians, the Elder Abuse Helpline is listed there about halfway down the page, and that's the recurrent index funding there.

Ms O'CONNOR - Just going back to the needs analysis for Neighbourhood Houses, I know that there's a sort of a rolling awareness, if you like, within the agency that in some communities the need for a Neighbourhood House grows, and Kentish Community for many years has been asking for its own Neighbourhood House. Have there been any applications to communities from other communities like, for example, Smithton that present a case that they have the socioeconomic circumstances to warrant a new Neighbourhood House? And when was the last time we got a new neighbourhood house, because I think it's been 34 since forever?

Mr ABETZ - In Ouse: that was one of our announcements in the Budget.

Ms O'CONNOR - So, that's 35 neighbourhood houses now, is it?

Ms KELLY - Through you, minister: there's actually 36, but one's-

Ms O'CONNOR - Pheonix?

Ms KELLY - No. The one based at Dowsing Point is funded by the Australian Government and the Tasmanian government funds the other 30, so 35, once Hatch comes on board. Through you, minister: we do receive queries from communities who are interested in establishing - and the one that you mentioned, Kentish House and Ouse Hatch, certainly since I've been involved in this portfolio, are the two that that we've sort of had relationships with or have had approaches from. It is something that, through the needs analysis - actually working through what is the process to determine a new Neighbourhood House.

Ms O'CONNOR - It's an established process, though, isn't it? I used to be the minister for communities. Isn't there an established sort of set of metrics that are examined, that present the case, if you like, for a new Neighbourhood House; is that right?

Ms KELLY - Through you, minister: it is, but it hasn't been refreshed for quite a while, probably quite out of date and something again that we would see the needs analysis that would provide some more contemporary metrics around how that might be determined, so -

Ms O'CONNOR - Good. The needs analysis wouldn't be looking, necessarily, at other communities that have a need for a Neighbourhood House. It's looking at the existing sort of network and what the needs are of those houses?

Ms KELLY - Through you, minister: yes, generally it's focused on the current, but particularly through the work that profile.id are doing, where they're looking at the sort of population data and data within communities and things like that, there may be, through that, that ability to go, actually we probably should have one here, or that there's a real need here.

CHAIR - Demographic data, you're talking about?

Ms O'CONNOR - That's right.

Ms KELLY - Through you, minister: we're also working with profile.id so that after the needs analysis, we will still have access to that data that will enable us, moving forward, to be able to be informed rather than having to undertake another big review to have access to that. We're just working through what that might look like, so -

Ms O'CONNOR - Is the needs analysis looking at food security and food deserts?

Ms KELLY - Through you, minister: broadly, in terms of the services that that the Neighbourhood Houses provide, and that's where we were talking before about that there will be one-on-one interviews with particular Neighbourhood Houses, because - you know this really well - going to Neighbourhood Houses, they have different roles that they play in the communities. You might have some that have a social supermarket, provide free bread, low-cost meals and those sorts of things, whereas you might have other Neighbourhood Houses where that's not required as much, but they provide different services, so - and that really comes through in terms of the needs of those houses and the feedback that they provide the consultants. We also have our food resilience strategy that, again, we launched late last year. There was quite a bit of funding in the budget over the forward Estimates for that. We are currently working on the action plan on that in terms of that need.

Ms O'CONNOR - Thank you. On the food resilience matter, a little bit of money for Eat Well Tasmania and then no extra funding since 2025-26. There's the School Food Matters where little bit of money in 2024-25, a significant amount of money for the School Lunch Pilot program in 2024-25 and then just these big flat lines in the out years. What's the plan if you've got a food resilience strategy but no money to fund it, what happens?

Ms KELLY - Eat Well Tasmania is primarily funded through Department of Health and School Food Matters is funded through DECYP. That transferred to DECYP. There's just a little note there on page five over on the far-right hand side.

Ms O'CONNOR - At full value, and do we know - look, I can ask the minister for education at some point.

Ms KELLY - Yes, the other thing to mention there is the action plans that accompany our strategies, so in the case of the food resilience strategy, we work with the sector or the food industry on that but we also work with the government agencies as well in terms of when we put the action plan together. In terms of getting a holistic picture across government in relation to the various programs that occur in that area, and those action plans go up to what's called the secretary's board, which are all the heads of agency.

Ms O'CONNOR - Black cabinet. It's called the black cabinet, well, colloquially.

Ms KELLY - And by doing that, that gives that ownership, across the agency. While the food resilience strategy and then the subsequent action plan are being led by premier and cabinet as a central agency. It's really holistic, all the relevant government agencies contribute to that.

Ms O'CONNOR - I have a little community pantry in our Hobart office and the demand for donated foods is very high. In the food resilience strategy, if you have a look at sort of all the pressures on us as Tasmanians, but also that we're islanders, that we're highly dependent on imported foods.

If there's anywhere in the country that we could do food security well, it would surely be here, given our primary producers and that social infrastructure we have with Neighbourhood Houses, Child and Family Centres and the like, and organisations like Loaves and Fishes and Foodbank. What sort of work is happening to coordinate those supply chains, so we have more on island capacity to feed people Tasmanian grown food through those networks that we have?

Ms KELLY - A couple of things there. There is a - I'm going to call them a group called Food Secure Tasmania, which is not an incorporated body but is made-up of representatives from the food sector that work together on sort of priority issues. As part of the developing the action plan that will go with the strategy, we're looking at that governance model from the industry further on what that actually might look like going forward.

Certainly, Loaves and Fishes are represented on food secure Tasmania and ensuring we have the voices of working with that broader sector. Neighbourhood Houses Tasmania's on that group also. We actually want to work through the action plan to formalise that governance, so it's got a formal governance.

Ms O'CONNOR - I guess - Thank you.

Ms KELLY - Sorry.

Ms O'CONNOR - No, no, don't apologise, you're going beautifully. I guess my question relates to sort of in the action plan, will there be structures and supply chains. Will there be connections driven between primary producers. I know some of that exists right now, all the way from our fantastic primary producers through to people who are unable to afford to feed themselves or their family. just to understand that practical connection.

CHAIR - So, townies need to know where their food comes from.

Ms O'CONNOR - Yes.

Mr ABETZ - What a good idea.

CHAIR - Yes, it would be perfect. We know where it comes from.

Ms O'CONNOR - Well, some of townies actually grew up in the country, just saying. Or on an island.

CHAIR - You grew up in Queensland, I mean, seriously.

Ms O'CONNOR - I grew up on an island; I grew up in lots of places, but on a remote island.

Mr ABETZ - While still growing up?

CHAIR - No, she was damaged from growing up under Bjelke-Petersen.

Ms KELLY - Organisations like Loaves and Fishes have connections with food producers. We were talking to Andrew at the TasCOSS briefing, and he was saying that he's got a contract with a farmer for carrots. He gets X number of carrots as a result of that. But

then the farm has also given him all their spare carrots, like the carrots that don't make the carrots.

CHAIR - They're not perfect carrots; they're the odd bunch.

Mr ABETZ - Yes, but they're still as nutritious.

Ms O'CONNOR - That's right.

CHAIR - They just look a bit different.

Ms KELLY - You see someone like Loaves and Fishes who have this incredible connection out to those primary producers, they also have a massive warehouse undergoing changes at the moment. They have kitchens that make meals that do the school Food Matters Program that feed into that. Then they also distribute food out to other organisations like Neighbourhood Houses and so on. You see an organisation like that, that is almost like this linchpin of that whole process. Part of the action plan is mapping out. Loaves and Fishes do that, but how do we map that out for other organisations as well?

Ms O'CONNOR - How do you pull in food banks, for example, what is the role of Neighbourhood Houses? How do you reach remote communities who might not have a Neighbourhood House?

Ms KELLY - That's right, we have Foodbank and Loaves and Fishes on our weekly fuel meeting we have. Foodbank has been talking about, as a result of the cost of fuel and so on, looking at potentially changing their model of how they distribute food, so they're going to more remote locations. They might, and I don't understand this fully, but they might sort of deliver to a hub and then the other communities travel to get that food.

Ms O'CONNOR - They could look at drones.

Ms KELLY - Yes.

CHAIR - Can I go back to Clare?

Ms GLADE-WRIGHT - The government's Hundred Day Delivery Plan talks about establishing a Community Services Industry Partnership Agreement to address red tape and longer-term funding agreements. Could you please provide an update, and list the number of participating community service organisations?

Ms KELLY - I was talking before about the Coalition of the Peaks. To step back a little bit, there's a Community Services Industry Plan 2021-2031, and there was a governance review undertaken of that last year. There were seven recommendations in that, and our organisation met with TasCOSS to work through those recommendations. TasCOSS then went to the peak bodies.

Ms GLADE-WRIGHT - How many peaks and the Coalition of the Peaks?

Ms KELLY - Karina is adding them up. They went and discussed, and it was agreed that developing a partnership agreement would be the priority recommendation for us to progress this. There's 21.

Ms GLADE-WRIGHT - Thank you.

Ms KELLY - I mentioned before we had a meeting on 17 April, which is our first meeting with the Coalition of the Peaks, and we've got another one in July. We were hoping to do it in June, but time's getting away for us. Likely we would do that in July and we're engaging a facilitator who is endorsed through the Coalition of the Peaks and through us to help us facilitate the development of the partnership agreement. The partnership agreement is really around how the government and the community services industry work together on priorities, so that the government isn't getting mixed messages around what are priorities and how we should progress.

This is before my time, but my understanding was that there was a partnership agreement in place some years ago, and that lapsed and certainly it's something that we're definitely hearing through the coalition that that will provide the foundation for us moving forward once we've got that and we've got agreement about how we're going to work together. Then that will enable us to move through those next steps around things like priority funding and that sort of thing.

Ms GLADE-WRIGHT - So, how many community service organisations do you anticipate to be part of it?

Ms KELLY - The peak bodies represent the relevant community organisations. There are a couple of population cohorts that don't have peak bodies, and that's actually something that we need to address through this work. An example is the food sector that we were talking about before. That's something that, with Ms O'Connor's question around how do we look at that governance and not necessarily saying that there will be a peak there, but at the moment what we're doing is that we've invited two of the big food organisations to join the Tuesday meetings, the fuel meetings, so that their voice is at the table as well. We invited them to the 17 April meeting, and it is likely that they'll come to the one in July as well. The aim is for a 2027 agreement, and that sounds like a long time away but we did put that forward to the coalition at our meeting on 17 April and they were comfortable with that date and particularly TasCOSS mentioned that they wanted to be done properly and they wanted it to be not rushed. The initial feedback was that they were comfortable with that.

CHAIR - Great. Thank you.

Ms THOMAS - I just have a question in relation to concessions take-up, does that sit with your area?

Ms KELLY - Through you, minister, yes, sort of.

CHAIR - I think she might need to ask the question a bit further, keep going.

Ms THOMAS - Well actually let me rephrase, the questions around older Tasmanians more specifically, I know the funding sits with you, but it's being transferred to the Minister

for Ageing, which is also the minister for Health. Will the funding be reprofiled, for want of a better word or transferred across to there? How is that kind of work?

Ms KELLY - Through you, Minister? Yes. As of the date it moves across. There's a couple of things there. There's a Minister for Ageing and you're meeting with her on Wednesday afternoon?

Ms THOMAS - Yes.

Ms KELLY - But in terms of the transfer of older Tasmanians to Health: the funding and that 0.4 of a staff member and that will move when that machinery of government change happens.

Ms THOMAS - So questions about that, then, should we be here with the Minister for Ageing to answer questions about that then.

Ms KELLY - Through you, minister, yes, we will.

CHAIR - Okay, well it will be nice to see you again.

Ms THOMAS - Bet you can't wait. On Wednesday, yep.

Ms KELLY - It's Wednesday.

Mr ABETZ - But I'm sure they'd struggle on without me.

Ms KELLY - Yeah.

CHAIR - They'll have another minister; they'll have a real minister that time.

Mr ABETZ - I'm sure they'll struggle on without me.

Ms THOMAS - Well, I have another question then, if I may continue on. In relation to funding for Volunteering Tasmania, I understand that none of Volunteering Tasmania's budget priority submission asks were funded, particularly one of the critical projects that they offer funding for was for a new State of Volunteering Report, which they believe is essential to establish a baseline to measure the success of the Tasmanian Volunteering Strategy 2025-2030, and to monitor trends across the industry, particularly ongoing, concerning decline in formal volunteering participation. Acting Minister, are you aware of the fact that Volunteering Tasmania were not successful in their budget submission request? And is there any scope for assisting them some other way?

Mr ABETZ - I must have been constructively aware that they weren't successful, but not specifically.

Ms KELLY - Through you, minister, a difficult one for me to answer because it's a government funding decision. We do have the Volunteering Action Plan, that was a Volunteering Strategy. That strategy and the action plan will come this year, and as part of that we will also put in a submission through the budget cycle for funding for delivering that.

We'll work with Volunteering Tasmania around some of those actions, and whether or not there's a funding be putting through that.

Ms KELLY - Through you, minister, we do have a small amount of money that we received through the budget last year for the action plan. We'll be applying to Treasury to roll that over. So there will be a small amount of money there for next year, and that's something we can work with Volunteering Tas, as well.

Ms THOMAS - Okay. In relation to the registration to work with vulnerable people fee, there was a commitment to the fee removal pilot for volunteers. So, can you just clarify what funding is provided, and for how long for that in this budget?

Ms KELLY - Through you, minister, that was a two-year commitment, so 2025-26, 2026-27. The Department of Justice who administer the Working with Vulnerable People program received \$250,000 out of the \$300,000 for 2025-26. And they'll receive the full \$300,000 for 2026-27. That money comes to us, and there's an internal process to transfer that money across.

Ms THOMAS - I understand the two-year pilot commenced on 1 January 2026. Will the funding be rolled over further, so that it's for a full 2 years? So the full year of 2027?

Ms KELLY - Through you, minister, yes, the program will run from 1 January 2026 to 31 December 2027, so that's a full 2 calendar years.

Ms THOMAS - Thank you. Chair, I want to take the opportunity to just be clear, when I was asking earlier on, as I was scanning through the document you helpfully provided, talking about the funding for the Multicultural Hub in Moonah, that \$75,000 is the funding that's provided through Glenorchy City Council. But, I know there's also another allocation to MCOT specifically, with peak body funding of \$167,644 in 2025-26. And then that continues on through the forward Estimates, and is indexed. So, that's additional funding the government provides direct to the Mutlicultural Council of Tasmania (MCOT). And we know those discussions that you have ongoing with MCOT and Glenorchy City Council, will there potentially be conversations about whether that \$75,000, if it is hopefully continued on, will go direct to MCOT, rather than through the council?

Ms KELLY - Yes, that funding that's on page 6 towards the bottom. That's their recurrent peak body funding. And we'll be looking at when their grant deed is up, putting them into a five-year funding agreement, so they have that certainty. But yes, in terms of the Moonah Multicultural Hub, that's a further discussion we need to have within MCOT and the Council, and then again put that forward through to government for budget consideration.

Ms THOMAS - Council owns the facility but my understanding is that \$75,000 goes directly through to MCOT, so I could never really understand why it needed to be provided through the council.

Ms KELLY - Yes, it's probably an administrative issue that will be fairly straightforward to work through.

Ms THOMAS - Has it started?

Ms KELLY - Those conversations have started.

Ms THOMAS - Oh, that's great. Thank you, Chair.

CHAIR - I'm conscience of the time. Are any pressing questions from anyone?

Mr ABETZ - If I may, Chair, just to say very quickly, two officials at the table have been nothing short of excellent and thank you very much.

Members - Hear, hear.

The committee adjourned at 7.15 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Eric Abetz MP

Tuesday 2 June 2026

MEMBERS

Hon Ruth Forrest MLC (Chair)

Hon Clare Gade-Wright MLC

Hon Sarah Lovell

Hon Cassy O'Connor MLC

Hon Bec Thomas MLC

OTHER PARTICIPATING MEMBERS

IN ATTENDANCE

HON. ERIC ABETZ MP

Minister for the Environment; Minister for Innovation, Science, and the Digital Economy;
Minister for Arts and Heritage

Minister for Arts and Heritage

Department of State Growth (Arts)

Brett Stewart

Deputy Secretary

Dr David Sudmails

Director, Creative Tasmania

Mary Mulcahy

CEO, Tasmanian Museum and Art Gallery

Alex Sangston

Manager Screen Tasmania

Joe Kanizay

Budget Consultant

Innovation, Science and the Digital Economy

Department of State Growth

Mike Mogridge

Deputy Secretary

Ben Marquis

Director, Economic Strategy

Travis Boucher

Director, Finance

Sarah Thomson

Executive Director, Business Industry and Investment

Department of Premier and Cabinet

Noelene Kelly

Deputy Secretary

Dr Justin Thurley

Chief Information Officer

Mat Healey
Deputy Secretary, Strategy and Delivery

Ministerial Office

Tristan Bick
Chief of Staff

Jeremy Grey
Senior Advisor

Environment (including Climate Change)

Jason Jacobi
Secretary

Louise Wilson
Deputy Secretary

Catherine Murdoch
CEO - Environment Protection Authority

(in the room)

Jo Crisp
General Manager, Environment

Holly Mackey
A/CEO - Tasmanian Waste and Resource Recovery Board

Daryl Cook
Director - Finfish Compliance - EPA

Cindy Ong
Director - Environmental Regulation - EPA

Raymond Bannister
Manager - Salmon Science and Standards - EPA

ReCFIT (Climate Change)

Vanessa Pinto
A/CEO, Renewables, Climate and Future Industries Tasmania

Dr Sarah Russell
Director, Climate Change

DSG (Climate Change)

Nikki Krushka
Assistant Director, Climate Change

Garth Dickinson
Senior Adviser

Angela Conway
Deputy Secretary, Business Services

Ministerial Office representatives

Tristan Bick
Chief of Staff

Alister Pearce
Senior Adviser

Kandace Gilligan

Arts and Heritage

The committee met at 4.55 p.m.

CHAIR - Thank you and we can call you minister at this time, not acting or anything else. Thanks, minister, for appearing before the committee in the portfolios of Heritage and Arts, Innovation, Science and Digital Tech and Economy and the Environment. We will get a slightly longer break for dinner because we will have the EPA before dinner. You will get a break then. I know you've had a long day, as we have too. Minister, if you can introduce the people at the table and then make an opening statement if you wish.

Mr ABETZ - Look an opening statement indicating all my knowledge in the area would be extremely short so I won't even bother with that, but what I will do is introduce deputy secretary Louise Wilson sitting on my left. Will Joscelyne on my right, general manager Heritage and his right, Melissa Ford, director, Heritage Tasmania. With that we're open for questions.

CHAIR - Heritage first, from Sarah, was it?

Ms LOVELL - No, just a general one from me around the operational efficiencies. Can you explain the operational efficiencies?

Ms WILSON - Thank you. Through you, minister, the department has operational efficiency savings targets set over the next few years over \$4.9 million in 2026-27, \$13.977 million in 2027-28, \$19.9 million in 2028-29 and \$20 million in 2029-30 and these are the new savings allocations allocated in this Budget.

Ms LOVELL - And how are you going to achieve those?

Ms WILSON - We are on track to deliver on our savings targets for 2025-26, so that's really good news. We achieved these savings by through really close management of discretionary expenditures such as printing, travel, fleet costs, consultants, advertising and communications. We also introduced in 2025-26 in March an executive committee that reviewed all of the recruitment. We monitored recruitment and managed how we placed those. We would look for opportunities where we would question: is that position still required, could we fill it through a different way through temporary or permanent deployment of others elsewhere in the agency? Could we reprofile the positions so maybe lower the level and change the duties. That's a small savings. Lots of different sorts of approaches. I'm really pleased to say that we are on track to achieve those savings. That is in this financial year.

Looking forward, we are developing a budget sustainability plan and that will be a comprehensive plan that will look at a range of measures. These measures will include all the things that I mentioned, the discretionary spending and looking to have further savings in those spaces where we can, particularly intrastate travel and fleet - we've got some opportunities because, in our agency - we are statewide and we have a lot of remote staff and staff statewide.

We are developing and moving towards a one-fleet agency, so we want to consolidate all of our government vehicles, not including specialist vehicles that are needed for remote fieldwork, et cetera, but our, sort of, G cars. We're also looking to move to electric vehicles where it's appropriate. The One Fleet Project, what we intend to do there is to get better

utilisation of our existing vehicles, so they're not sitting in business units - maybe some business units - underutilised or over utilised and in short supply in other areas. Over time with those efficiencies we may even be able to reduce vehicles, we'll see, and we are doing workforce planning; that's another element of our budget sustainability planning and so across all of those measures, there are probably other things I've got in my notes I could mention, but you have heard about it in the last session.

CHAIR - Yeah, yeah, with the previous minister - a while ago.

Ms WILSON - We're pretty confident it will be tough, but all areas we're going to look at everything that we can on a case-by-case basis and when we have that plan in place we'll have a better idea of how the savings will be broken down.

CHAIR - Just on that, are you expecting to require any redundancies in this area, voluntary or otherwise?

Ms WILSON - Through you, minister, as per the Premier's announcement, we will be looking to have that EOI process for TVNRs and what we intend to do is look at each application on its merits and look at things like: can that role actually be abolished? What will the impact be on critical business - service delivery?

CHAIR - The question was more; do you expect to need them to make the savings target?

Ms O'CONNOR - You'll have to if you're cutting \$2 million across the forward Estimates.

Mr ABETZ - All depends on what natural attrition I suppose is anticipated -

CHAIR - The question is are you expecting to need to use the voluntary redundancies or not?

Mr ABETZ - Yes, and I don't know that.

Ms WILSON - Through you, minister, the secretary has issued communications with the agency and made it clear that he, Jason Jacobi, will assess each application. Just because someone has applied for one doesn't mean they'll necessarily get one, but we will be looking.

CHAIR - No, the question - let me get back to the question, okay. The question is: to achieve your savings, do you think you'll need to apply voluntary redundancies to get there?

Ms WILSON - Through you, minister, I wouldn't want to speak on behalf of the secretary. This announcement has just been quite recent but, as I said, our budget sustainability plan will look at everything and every option that we can and we will assess TVNRs in ours and I'm sure that well, I probably shouldn't speak on behalf of the secretary, but there's every chance that there may be some that we think are appropriate.

CHAIR - How will having to pay for separations, either voluntary redundancies, which depend on the length of service, can be quite expensive, or maybe less, but in any event, with any staff separation there's leave liabilities that crystallise, et cetera - has that been factored into your plan and will that mean that the task is larger?

Ms WILSON - Through you, minister, the plan hasn't been fully developed yet. We're starting to look at that very seriously. Obviously, the cost of redundancies also needs to be taken into account, but we also have the option of workplace renewal incentive payments, we call those WRIPs. They might be appropriate.

Sorry, I'll just make sure I heard the question right, if you wouldn't mind repeating that again. I may not have answered it.

CHAIR - What I'm trying to understand is: if you do need to pay for any separations like WRIPs - there will be a separation associated with a WRIP - is that something that's already factored into the operational efficiency or will that be on top of? Because I can't find anywhere and we did ask you in a former role as Treasurer whether there's any provision in the Budget for redundancies. It appears not, but I'm just clarifying with your expectation.

Mr ABETZ - Look, I would anticipate this department is no different from other departments. There hasn't been specific provision in relation to any of the departments, but overall, we are anticipating - and I said that in the Budget speech - that there will be some initial costs, dealing with these matters, but then there will be the lower payroll to offset that.

CHAIR - That won't happen straightaway.

Mr ABETZ - No, exactly.

CHAIR - And redundancy payments or the separation costs appear immediately?

Mr ABETZ - Hmm.

CHAIR - Yeah. And that means, if you're going to achieve the savings target or the expected amount that's laid out in the budget papers, you have to save more in this first year, if you have to fund staff separations. That would be a fact, wouldn't it?

Mr ABETZ - Well, not necessarily, but in some it may, because each department and section will be determining its own savings methodologies and what they can and can't do.

CHAIR - But where there's staff separations involved in achieving the savings required that's an additional cost that will create the need for further savings to deliver?

Mr ABETZ - Albeit that is offset by the savings that may be made later on in the year. So, for example, if you had to pay somebody and I would assume potentially more, but if you only had to pay three-months salary for the separation, then by the end of the year with another nine months, you would have made that -

CHAIR - That presumes they all go on 1 July, Treasurer, and we know that won't happen. We heard that in another portfolio - not with you - that these plans won't even be in place till probably August, or maybe later and some other time you can implement this. There won't be a full year in which to regain those savings, if you like, from this workforce.

Mr ABETZ - Yeah, and look, as a result, the quicker departments and agencies can get their plans together, the better for them.

Ms O'CONNOR - Can I just check something in terms of, just to clarify. How many staff are employed in the historic heritage unit?

Ms WILSON - I've got it. I just have to look it up. Through you, minister, it's around about -

Mr ABETZ - Somebody else knows.

CHAIR - Someone knows.

Ms WILSON - Of course the director would know.

Ms FORD - Through you, minister, there's 17 headcount at the moment and it works out at about 15 FTEs.

Ms O'CONNOR - Interesting, because if you calculate out the level of the cut over four years, it's roughly \$2 million, which is, I mean in crude FTE terms is about 15 FTEs. So, what is the expectation on historic heritage in terms of how you'd achieve these savings? Because it's all very well to rationalise your fleet, and talk about supplies and consumables, all those things that we hear every year, but the bottom line is the agency or the division is expected to find \$2 million in savings over four years, which on a rough count is about 15 FTEs. So, what sort of historic heritage division will we be left with after the efficiencies as they're called, or cuts, are found?

Ms WILSON - Through you, minister, you're absolutely right, small areas and very small budget outputs do need to be very carefully managed. We haven't targeted any particular areas as part of our budget sustainability plan. However, our expectation - the expectation of the secretary and the executive of which I'm a part - is that every area will look to contribute. This is a shared responsibility, but we do have to be very, very careful with very small areas, as, very much like in Heritage Tasmania, there are statutory functions that need to be delivered.

So, in any TVNR EOI applications, or budget saving strategies, we do need to be mindful of continuing to deliver on those statutory responsibilities. But, as I sort of touched on earlier, savings and efficiencies can be made through all sorts of ways and necessity is the mother of invention and we're finding that already staff are coming up with new ideas. We still have to stress -

Ms O'CONNOR - To try to save their jobs?

Ms WILSON - No, not to save their jobs, but to genuinely contribute and find - they're actually, I guess - a lot of the creativity is coming out of business process review and technology, AI, et cetera, but there's a lot that we can do in terms of just looking at different ways of working. Another element of our budget savings plan, not that it's finished yet, but we're scoping it and working through what tools we might have and that is looking at - I'm not saying this specifically in Heritage Tas - but appropriate and fair cost recovery. There are some areas in the agency that do not recover their costs and some areas that don't - that couldn't review their fees or charges because they are doing complex activities and, you know, the charges or fees haven't changed materially and they don't match the work.

Ms O'CONNOR - Okay, thank you for that answer. So - and I know this is slightly unfair on the new, potentially short-term minister for Heritage -

Mr ABETZ - But it won't stop you.

Ms O'CONNOR - No. Well, it's a reasonable question and if the former minister was sitting here, I'd ask her the same question, but she misled this committee last November. The question is: as Treasurer and minister for however long you are, you would recognise the risk to the way we manage, protect, assess heritage and maintain the register of, sort of, hollowing out the divisions, skills and talented people, is high given how small the division is, and that great care is required in requiring this division to find its savings: great care.

Mr ABETZ - Look, I find myself in the difficult position of agreeing with the member for Hobart -

CHAIR - Gosh, that's a bit of a dangerous situation to find yourself.

Mr ABETZ - and I have every confidence that the secretary of the department will consider all those matters in determining where voluntary redundancies ought to be accepted and where not.

Ms O'CONNOR - Just last question, sorry, Ms Thomas, because I know you've got plenty of questions, but we heard Ms Wilson talk earlier about how AI could be implemented in the division. What sort of functions does the director or the dep sec understand that AI might be able to perform in a division like Historic Heritage?

Mr ABETZ - Who wants the pleasure of answering that?

Mr JOSCELYNE - Through you, minister, there's probably a full gamut of opportunities. There's a pure regulatory function where it's, for example, doing checks of references against standards for works, for example. On the other side, when we talk about things like registration, and I can say already that the branch is already doing some of this work, which is to use AI to support research, not to be the final say, not to be the - but as another tool to say, okay, we've got a research question here regarding a historic place. It could be, you know, in relation to what information might be out there as a primary source, and this is a good way of doing an initial scan, for example, so we're already taking early steps in relation to using these kinds of tools. We would expect that that will continue to mature as an opportunity going forward.

Ms O'CONNOR - Thank you, Mr Joscelyne. You are aware that there's plenty of research out there now that shows that AI makes up references, refers to facts that are not facts, so where is the checking going to happen? Will it be actual human beings, you know, with beating hearts, who will be cross-checking on any material that's produced by a robot?

Mr JOSCELYNE - Through you, minister, absolutely.

Ms O'CONNOR - Great, thanks.

Ms THOMAS - Thank you. I have questions about a couple of things. One is about Halls Hut and the other one is about National Trust funding, just to give you a heads-up. In relation

to Halls Hut, minister, what is your understanding, or the department's understanding of the current state of Halls Hut?

Mr ABETZ - Look, I could read out the brief that I've got in front of me, but possibly Mr Joscelyne can give you the -

CHAIR - Can summarise it.

Mr ABETZ - Yes, summarised version.

Mr JOSCELYNE - Minister, through you, we're aware that there are concerns regarding the condition of Halls Hut. We've received what I would call intelligence, successive packets of intelligence regarding the condition of the hut and -

CHAIR - Including photographs?

Mr JOSCELYNE - Including photographs.

Ms O'CONNOR - Yes.

Mr JOSCELYNE - So, we're working to further establish the condition of the hut, in concert with the current leaseholder, and we, in fact I, have written on behalf of the Heritage Council seeking the provision of a condition report with certain requirements to be met, such that can then be further considered by the Tasmanian Heritage Council, and it can then further determine what action it may, or may not take.

Ms THOMAS - When does that condition report have to be provided by?

Mr JOSCELYNE - So, we've made a request for that to be provided, essentially as soon as possible. There have been some dates specified, those have passed, and we are expecting the report imminently. What I would say is that there is a Tasmanian Heritage Council meeting on the 17th of this month, and that will be an opportunity for them to consider the report, should they have received it by that point in time, or to determine another course of action if it has not been forthcoming by that time.

Ms THOMAS - Okay.

CHAIR - Can you provide a copy of the letter you wrote, the outlines, what you're expecting to get?

Mr JOSCELYNE - I can. There is a copy on the public record already on the NRE Tas web page.

CHAIR - Well, then, there will be no trouble, then, providing it to the committee. That would be great.

Ms THOMAS - So what happens if that - what are the possible - or are you able to tell the committee, through you, minister, what the other possible outcomes are if a condition report's not provided; what avenues exist for you to take action?

Mr JOSCELYNE - Through you, minister, I wouldn't want to prejudice a decision of the Heritage Council in relation to any action it may or may not take. There are some clear provisions in the act -

Ms THOMAS - Okay.

Mr JOSCELYNE - in relation to these - such matters as this -

CHAIR - So, who can you provide that - sorry.

Mr JOSCELYNE - section 60 in particular -

Ms THOMAS - Section what, sorry?

Mr JOSCELYNE - which I'm sure the Heritage Council will turn its mind to.

CHAIR - Section?

Ms WILSON - 60.

Mr JOSCELYNE - 60.

Ms THOMAS - Okay.

CHAIR - Okay, so who will you report to?

Ms THOMAS - The council.

Mr JOSCELYNE - The Heritage Council.

CHAIR - Yes, and then the Heritage Council reports to the minister, whoever that might be, or what?

Mr JOSCELYNE - Heritage - sorry, through you, minister. Heritage Council operates in these functions independently from the minister for Heritage -

Ms THOMAS - So it has its own powers, under the act.

Mr JOSCELYNE - It's an independent statutory body.

Ms THOMAS - Okay.

CHAIR - So the minister for Parks tells us he was awaiting that outcome. So, how will he get it, the report? Because he made it clear to this committee that he was awaiting that, he was aware it had been requested, a condition report. Will that be provided to him, or how will he then satisfy himself that the conditions of the lease are being met?

Mr JOSCELYNE - So, through you, minister, and I think you've actually indicated something quite important to this point, is that that is a lease matter, which is for the minister for Parks, that's not the primary -

CHAIR - He is waiting on this, before he can look at whether it has been breached or not.

Mr JOSCELYNE - Indeed, and so we are responsible for the heritage component, and in terms of delivering on the functions of the Heritage Council, that's what we will do. Now, that will then become information that will be obviously relevant to the Minister for Parks, but that's a matter, first and foremost for us, is to support the heritage council in its obligations.

CHAIR - So, will the minister for Parks have to request that, and how will he know when it's done?

Mr JOSCELYNE - I think we would - through you, minister, I think given that we're one agency, we would be seeking to provide that naturally across the areas of the department at a time that it's received.

CHAIR - So, because the minister seemed to be batting it back off to you, minister, as the minister at the moment, for Heritage, to say that he can't do anything until he gets his report, but it's sort of like this, you know, sort of compartmentalised - but you're telling - well, I'm hearing, minister, that because it's one department, any report or findings from the heritage council will be fed through to the relevant minister, which includes the minister for Parks; am I correct in that?

Mr ABETZ - Look, whilst I enjoy the power that I do, I would encourage Mr Joscelyne, as soon as the report is received, to ensure that it moves onto another desk into Parks, so that the minister for Parks can be informed as to its content.

CHAIR - Right. So we would expect that to - because we asked the Minister for Parks some time - but if it's not provided before your next meeting on the 17th, I think you said, of this month, then when's the next meeting?

Ms LOVELL - Can I ask a question on that too?

CHAIR - Yes. When's the next meeting after that?

Ms THOMAS - They said they'll consider their powers.

A witness - Two months.

Mr JOSCELYNE - Through you, minister, two months after.

CHAIR - Right. So, you'll consider your powers, but there is another meeting in two months.

Ms LOVELL - You mentioned before that some dates had been specified, but those dates had passed. Are you able to share with the committee what dates they were? How long ago the report had been requested and the dates that you had provided?

Mr JOSCELYNE - Certainly. In the correspondence I had with the leaseholder -

CHAIR - I think you've got a copy there to table, have you?

Mr JOSCELYNE - No, that's not the version.

CHAIR - Oh, sorry. That's not it. Right.

Mr JOSCELYNE - I wrote on 2 March to the leaseholder, and the initial request was for the information to be provided within a month.

CHAIR - In a month?

Mr JOSCELYNE - Within a month. Now, we received a response immediately acknowledging my letter, which had also been a request. That indicated that it would be by mid-April that the site would be able to be visited. We're seeking to be reasonable in this request as well because this is a remote place that is not easy to get to, so, there is some practicality that we would ordinarily afford to somebody that has to do a difficult piece of work. We understand that the leaseholder has been engaging with Parks regarding access to fulfil this request specifically.

CHAIR - So, you think by the middle of June it's a reasonable request from the Heritage Council to have the information they need to make their decision or assessment?

Mr JOSCELYNE - We would hope that we will receive this information by this time. Should it not be received, then that's a matter the Heritage Council can further consider.

Ms LOVELL - Do you know what the issue is around access? Or why there's a delay?

Mr JOSCELYNE - There's probably the two key ones: it is remote; secondly, now there is a seasonal factor as well, which means that the ability to access the site is there are shorter days, difficult weather -

CHAIR - It'd be better in summer. When you wrote in March, the days were much longer then, weren't they?

Mr JOSCELYNE - That's where, I think, in the seeking of this resolution, there is some practicality that we would have to make sure we're mindful of.

Ms LOVELL - When you say engaging with Parks around access, what's required there to Parks - are Parks assisting with access? What are they looking for in that engagement?

Mr JOSCELYNE - That, for example, would take the form of a discussion regarding access by air. It's not permitted to access or land any type of vehicle in a national park, for example, without approval.

Ms O'CONNOR - Hear, hear.

Mr JOSCELYNE - Those are some discussions that are ongoing with Parks.

Ms O'CONNOR - That's partly what brought Mr Hack undone was that he wanted to helicopter people in and out.

Ms THOMAS - Can I move into grants? Because that's what my National Trust -

CHAIR - I just had a couple of those in Heritage, if that's all right. Minister, how many members sit on the Heritage Council at the moment?

Mr ABETZ - That's so easy, I'll let somebody else answer it.

Ms O'CONNOR - Now chaired by your former colleague Mr Stephen Parry.

Mr ABETZ - A good choice.

Ms O'CONNOR - I'm sure it was a rigorous selection process, I'm sure.

Mr ABETZ - Yes, it was.

Ms O'CONNOR - Totally hands off.

Mr ABETZ - It was.

CHAIR - You can ask about that in a minute, if you'd like.

Ms FORD - There are 15 members on the Heritage Council.

CHAIR - In terms of costs, that's a large board or council, minister. When your government's had a policy to try to reduce board members, thus costs and et cetera, do you think that's a reasonable number or do you think that's a few too many?

Mr ABETZ - Look, on the face of it, it seems like a large number. I don't know if there are specific people on that board for specific purposes. I don't know and I would need to avail myself of what the legislation tells us in setting that up; whether the legislation sets the number et cetera. I've just been provided -

CHAIR - But the act does prescribe fields of expertise.

Mr ABETZ - the constitution of the Heritage committee. If somebody can tell me - I'd dare say the letter L is the 15th letter in the alphabet, is it? No, it's the 12th letter in the alphabet, but then you also have a chair - I know the chairperson's here. So, who are the other three? Do we know?

CHAIR - That's the constitution that reflects the enabling legislation?

Mr JOSCELYNE - That's correct. This specifies the roles and the membership and it's indicative of when the Heritage Council was first formed. It brought together expertise in relation to heritage matters and it also brought together representatives of key groups in Tasmania with a strong interest in heritage protection and -

CHAIR - Is it possible that people could fulfil two of those at once? Sometimes when we're on boards, we're looking for gender diversity - like members of the CALD community - is it possible that you could make the numbers less by attracting individuals who have more than one attribute to meet that? Or are they so disparate that you couldn't possibly have a person fulfil two requirements?

Mr ABETZ - Wait a minute, item C of the letters is for a persons, so I dare say, is where the other numbers are made up. Chair, on the face of it, 15 seems a substantial number and we are consultative government and I'd like to have inclusion in these things. But I must say, on the face of it, 15 does seem a sizeable number and whoever has the joy of this portfolio, I'll pass on to them that consideration.

CHAIR - Great. What's the budget for the council? How much of the Heritage budget is taken up with the operation of the council?

Ms FORD - The budget is \$140,000 a year.

Ms O'CONNOR - Not much. They get paid \$10,000 to \$12,000 a year.

Ms FORD - No, they're paid just under \$4000 if you're a member, and, if you're a deputy chair, \$8000. The chair gets paid \$35,000 a year.

Ms O'CONNOR - Small beans.

Ms THOMAS - Nowhere near what the design panellists for the stadium must get paid. Shipped them in from interstate.

Ms FORD - They are also entitled to claim reasonable reimbursement of travel expenses and also we have a payment for people who sit on a subcommittee, which is a small amount.

Ms THOMAS - Talking about committees, did your output, your department, have any input into the design review panel for the Macquarie Point Stadium membership? Minister, my understanding is that there is - well, I know there is - a design review panel established for the Macquarie Point stadium development. The panel has been established with membership and a rather interesting - I didn't ask you about this yesterday, perhaps I should have - interesting process by which members were engaged on that panel, and my understanding is Scott Balmforth is the chair of that panel, but nominations were sought by way of reaching out to people in the know across Australia to say, 'Do you know of anyone who'd be good for this panel?' Anyway, that's a question for another day, but I am just interested to know whether there was any discussion with Heritage Tasmania or the Heritage Council about the establishment of that panel, what the terms of reference might be, and what the membership might be?

Mr JOSCELYNE - Heritage Tasmania was absolutely involved in discussions regarding the formation of the order at the time. In terms of the appointments to the panel, that was the subject of a request from the department administering the order to NRE Tas to provide a nominee.

Ms THOMAS - To NRE Tas to provide a nominee? Okay.

Has Heritage Tasmania or the Heritage Council been engaged in anything further in relation to the stadium order?

Mr JOSCELYNE - Through you, minister, the Tasmanian Heritage Council is not specifically required under the order to perform any function. There are roles for Heritage Tasmania in relation to the review and endorsement of certain documentation that is required

to be produced by the corporation, and Heritage Tasmania will do that work when the corporation produces that documentation, as required by the order.

Ms THOMAS - Okay and do you know what administrative burden or resource burden that is likely to place on the output?

Mr JOSCELYNE - Through you minister, we would be expecting to accommodate that within our BAU (business as usual), we would call it. There will be some work to do, but we will address that as part of our ordinary resourcing.

Ms THOMAS - Okay, as you would for other projects.

Ms FORD - Through you, minister, I wanted to add to that Heritage Tasmania was involved in the new Bridgewater Bridge project and provided considerable advice and regulatory oversight too on behalf of the Heritage Council. That project is nearing completion. This would be seen as replacing another significant project.

CHAIR - That's good context. Thank you. Can I move now on to grants and subsidies.

Grants and Subsidies

Ms THOMAS - The grants and subsidies line I noticed dropped from \$17.57 million in 2025-26 to \$4.68 million in 2026-27 and stabilises at that across the forward Estimates around the \$4 to \$5 million mark. That's a significant drop of almost \$13 million in grants and subsidies. What is that grants and subsidies line made up of? Are you able to provide a breakdown minister of what's included in that line and how much is for external organisations to be funded?

Mr ABETZ - Are you referring to the Port Arthur?

Ms THOMAS - I'm referring to sorry, page 165 of budget paper 2.

Mr ABETZ - It is 165, sorry I'm on 168. Happens all the time and which line?

Ms THOMAS - The very bottom line there.

Mr ABETZ - Grants and subsidies.

CHAIR - It does tell you on the additional page.

Ms WILSON - Through you, minister, I believe those numbers are referring to the same, they're the same numbers on page 168. I draw your attention to - that's the Port Arthur Historic Site Management Authority funding.

Ms THOMAS - Okay, oh yes, thank you. Right okay, so all of that grants and subsidies is for Port Arthur Historic Site Management Authority.

Ms WILSON - Yes, that's correct.

Ms THOMAS - Okay, thank you. In terms of funding to other organisations, it sounds like that must be included in the 6.1 output then, right?

Ms WILSON - No, that's done.

Ms THOMAS - Sorry, I will be a bit clearer in my questioning. I mentioned I was going to ask about the National Trust. The National Trust received some funding from the government. How much do they receive?

Ms WILSON - Through you minister, the National Trust has historically received base funding from the government of \$312,000 per year. In 2025-26 this has been supplemented by funding of \$42,000 through round three of the Built Heritage Grant Scheme to undertake conservation works at Oak Lodge which will support improved community access.

In addition to that funding - funding that's historically received, the \$312,000 - there has been significant additional funding provided for different sorts of projects over the years.

Ms THOMAS - That's okay. Going forward into 2026-27, will they receive that \$312,000 base funding again?

Ms WILSON - The funding continues in 2026-27, the \$312,000.

Ms THOMAS - And does it continue on through the forward Estimates?

Ms WILSON - The funding goes through up until the end of 2026-27 but doesn't continue beyond that point.

Ms THOMAS - Okay, that's fairly concerning given the number of properties that the National Trust in Tasmania cares for, the preservation and presentation of our special heritage places that are held in trust for us all, as far as I understand it, under an act of parliament actually. Is that right, minister?

Mr ABETZ - I think there is an act of parliament protecting our heritage and that's how items or properties, I should say, are put on that list through the council.

Ms WILSON - Through you minister, there is the *National Trust Act*. I don't recall the year of that act, which has a number of provisions including appointing three members to the board and the other members are appointed by the trust membership. The trust is not the Crown even though it does have an act that sets provisions for it.

Now, the National Trust board has for some time now had in its strategic plan - a couple of consecutive strategic plans - expressed an ambition to become more financially sustainable. They have recently appointed a new CEO - a very energetic and very capable CEO. I believe they're working very hard on strategies for how to become more self sustainable, so they are not reliant on government funding and can generate revenue in their own right and be able to, I guess, deliver on its responsibilities for looking after its properties.

Ms O'CONNOR - They have statutory responsibilities to look after properties that the State of Tasmania has entrusted to the trust, and that's not to you Ms Wilson, but that's just a fact.

Ms THOMAS - So, minister, what are you going to do beyond 2026-27 to ensure they can fulfil those obligations? If there's no funding provided to them in the Budget, they're not going to become self-sustaining overnight. That's a significant amount of revenue to raise - \$312,000 per annum - through the properties that they have. No matter how energetic your CEO is, in a very small organisation to be able to raise that revenue is not easy.

Mr ABETZ - Not easy. What the government will undoubtedly do, and the minister will undoubtedly do, we have funding for this year, or for the 2026-27 coming financial year and the government will consider future bids.

Ms THOMAS - Just one final one then. I understand they have had discussions with the minister or the department about a one-off investment to help them to create a sustainable future. Minister, outside of this \$312,000 operational grant, how much was that request for and is there any funding in the Budget to help them become self-sustaining?

Mr ABETZ - I will pass on both.

Mr JOSCELYNE - Through you, minister, the total of the request I understand was in the order of over \$400,000 for an initial support package.

Ms THOMAS - A one-off payment?

Mr JOSCELYNE - Yes, a one-off payment.

Ms THOMAS - Okay, but there's no money in the Budget for that.

Mr JOSCELYNE - We will continue to work with the trust in relation to the specifics of their request and what we can do within our envelope to support that and have further discussions over the next financial year.

Ms THOMAS - And minister, do you accept that there will need to be some certainty provided if the funding is only provided for the next financial year? There will need to be some certainty before this time next year in order for the trust to know that it can continue to operate and if there's not a cent allocated beyond 2026-27 at this time.

Mr ABETZ - Everybody wants certainty, which is not unreasonable and I assume those discussions will be held and input the necessary information provided to provide that certainty.

CHAIR - We might move on to Arts if that's alright.

Ms O'CONNOR - Can I just quickly check though; I will be very quick. On the heritage question, what's happening here - which is deeply concerning this reflects Ms Thomas's questioning - is that funding is being cut to the protection of historic heritage by a government that is responsible for a state whose brand is underpinned in significant part by our historic heritage. The risk here is that this lack of funding leads to a decline in our historic heritage assets which really do belong to the people of Tasmania. I just don't think it's tenable that you could not fund the National Trust.

Mr ABETZ - Which is a comment and it's on the *Hansard* for you.

Ms O'CONNOR - Well, it's not designed to be on the *Hansard*, it's come from a place of worry.

Ms THOMAS - Very concerning.

CHAIR - I will follow that up.

We will move to Arts Tasmania. So, minister, when people sit down, would you mind introducing for the purpose of *Hansard*.

Mr ABETZ - I will try and do my very best, Chair. On my left is Brett Stewart, the deputy secretary, Creative Industry, Sport and Visitor Economy. On my immediate right is David Sudmalis, who is director, Creative Tasmania, and on his right is the director of TMAG, Mary Mulcahy.

CHAIR - Minister, I know we're going to push into the science, innovation, technology bit perhaps, but we did start about 15 minutes late, so we will try to catch up a little bit. Before I actually ask the questions in the arts, I just want to ask you a question, which I didn't ask yesterday because I knew you were back today: just with regard to the email that was sent to Pulse Tasmania with regard to the matters that I raised, have you checked with your chief of staff as to whether they saw the email?

Mr ABETZ - Yes. He did see the email.

CHAIR - Have you checked with him whether he forwarded it to anyone?

Mr ABETZ - I will have to check on that.

CHAIR - And if you could, who he forwarded it to.

Mr ABETZ - Yes, I can take that on notice.

CHAIR - Thank you very much.

Ms THOMAS - Which chief of staff: in this ministerial portfolio?

CHAIR - Treasury, I assume Treasury.

Mr ABETZ - I have one chief of staff.

Ms THOMAS - I know, but now you have another one. Well, no, you don't.

Mr ABETZ - No. I still have the one chief of staff, and without naming people, I think we know of whom we are talking.

CHAIR - Sure. Okay, so you will take it on notice to come back?

Mr ABETZ - Yes.

CHAIR - Okay. So just in the arts industry development budget line for 2026-27, it's \$9.175 million. Can you, minister, provide a breakdown for this figure? I'm happy for this to be provided at a later time if it can't be easily provided at the table right now, the amount allocated to competitive grants, the amount allocated to four-year funded organisations, the amount allocated to the Premier's arts prize, the amount allocated to all initiatives including the Tasmanian Strategic Touring Fund and the quantum of the grant to the Queen Victoria Museum & Art Gallery (QVMAG), which doesn't appear by name in the budget papers that I could see, unless I missed it.

Mr ABETZ - Can we provide that now or on notice?

Mr STEWART - Through you, minister, we wouldn't have that specific breakdown, but I think we could probably get that to you quite quickly, so I think we would have to take that one on notice.

CHAIR - Sure, and if you can't provide it during the session or later this evening, minister, we will write to you on that.

Mr ABETZ - As soon as possible, yes.

CHAIR - Okay. So excluding the \$4.5 million one-off Tasmanian Symphony Orchestra (TSO) capital funding in 2025-26, which is related to the stadium, the underlying arts industry development figure has fallen from approximately \$9.63 million to \$9.175 million, a reduction of approximately \$450,000 in real terms, which is a lot of money for this industry. Has this reduction been applied to the competitive grants pool?

Mr STEWART - Through you, minister, there are a number of grants programs that sit in that output. Some of those were boosted as previous budget and election commitments and they're starting to come off, which is why you see that variation, but there has been the addition of an additional \$10 million across this output and the screen output, and that's been applied equally, so five and five, which effectively will kick in 2027-28, 2028-29, 2029-30 to smooth out that change. We're actually hopeful that there will be an increase in the amount of money that flows through to our arts organisations -

CHAIR - By way of grants, you're talking about competitive grants, yes?

Mr STEWART - Yes, because that total figure also includes the operational efficiencies. The operational efficiencies will reduce the overall output, but with the injection of the additional \$5 million, we will see an increase, I think it's fair to say - I think it's accurate to say, that we will see an increase in the amount of money that will go to arts organisations.

CHAIR - That said, which grant programs or funded organisations will receive that funding, that extra \$5 million?

Mr STEWART - The additional funding, so - I might pass to David in a moment to mention specific programs, but the approach that we will take, through you, minister, is to continue the programs that we currently have on offer, and in some cases we may be able to boost them, but off the back of some work that we're doing that the Premier mentioned in his state of the state address around a new creative industry strategy, which will bring together several strategic pieces of work that we've already done, or are currently underway; for

example, the work we've done into the music sector to identify gaps where we might actually be able to create some new initiatives, and new opportunities for people to seek funding. So, we want to maintain, and potentially boost some of the existing programs, but we're also looking for opportunities where there might be gaps, through that work we're doing on the strategy, for new opportunities; but, in terms of the actual specific programs if, David, you may be able to provide some more detail.

Dr SUDMALIS - Certainly. Thanks Brett, and through you, minister, the 10 million creative industries support in this Budget is, as Brett has said, spread 5 million and 5 million across two outputs: 5 million in the arts output, and 5 million in the screen output.

CHAIR - We will come to that a bit later; let's talk about the arts output, 5 million.

Dr SUDMALIS - Okay. If I could just mention the phasing, because it's not equal in every year. The phasing of that is 1 million, 2 million, 3 million, and 4 million. Now in the first year it goes to screen, at 1 million, in the second year, screen and arts 1 million each, in the third year, \$1.5 million each, and in the fourth year 2.5 million to the arts, and \$1.5 million to screen. In the description in the Budget around this particular deliverable, you will notice that it talks about screen sector support and arts and heritage cultural support. Arts and heritage cultural support is the line, is the budget line for all of Arts Tasmania's creative, moveable cultural heritage competitive funds programs. The youth arts has a separate funding line, because that was a separate initiative previously. In other words, all of that \$5 million is going to competitive arts programs. The way that it's phased is that the most significant increase occurs at the beginning of the next multi-year cycle. It occurs at the beginning of the next multi-year cycle; that effectively means we will be able to have more arts organisations on multi-year funding, possibly at a different upper cap.

CHAIR - So, the Budget across this shows the arts industry development budget was at \$12.38 million in actual expenditure, with actual expenditure of only \$11 million. So, it's a \$1.37 million gap in the figure in the papers there. Can you explain where the underfund happened, or what explains that gap?

Dr SUDMALIS - Could you -

Mr ABETZ - Page number, or reference?

Dr SUDMALIS - Yes, please.

CHAIR - Sorry, I haven't got it -

Mr STEWART - Through you, minister, I think part of the confusion might be we reconcile off the revenue table, not the expense one, because it includes every fund source -

CHAIR - Right.

Mr STEWART - But we can attempt to answer the question based on the expense table, if that's what you're asking.

CHAIR - Well, maybe we look at that then. Now, I've got to find the right line, sorry I haven't -

Mr STEWART - The appropriation table is 11.2.

Mr ABETZ - So that is page?

Mr STEWART - Page 261.

Mr ABETZ - Page 261.

CHAIR - That's the appropriation - you want us to look at the appropriation table, that's what you're saying?

Mr STEWART - Perhaps if you could point to the table that you were referencing earlier, Chair, and we can attempt to answer the question, sorry for the confusion.

CHAIR - That's all right. I didn't make a note on the paper, sorry, it's actually the expense table we're talking about where the estimated outcome, that's how much was spent, or expected to be spent.

Mr ABETZ - So what page is that, sorry?

CHAIR - Sorry, 266.

Mr ABETZ - 266. Yes. Mr Sudmalis has that in front of him now.

CHAIR - There was less expended than what was budgeted. I mean, I know it's not the final yet. We're not at the end of the financial year yet.

Mr ABETZ - Which one are we looking at, Chair?

CHAIR - Oh, I apologise, I was looking at the TMAG. My mistake I was looking at TMAG. TMAG underspent their budget at this point, is that it?

Mr ABETZ - And we handball over.

Mr STEWART - I can clarify that's the budget of 15119 as opposed to the estimated outcome of 14869. Would that be capital, Mary?

Ms MULCHAHY - It's a bit of capital spend. The capital and asset maintenance fund from two or three budgets ago. The procurements taken longer than anticipated, so we haven't spent in that year if that makes sense.

CHAIR - Timing issues, is that what you're telling me?

Ms MULCHAHY - Yes.

CHAIR - If we can just move to the question that's been raised. I will move on to Screen Tas, but one of the things that's been mentioned, I did lay this in a motion before our House very recently, was one that arts organisations have been raising this with the government for more than three years that the funding has not kept pace with inflation, employment costs, real cost production in a small regional economy.

As I understand this Budget, correct me if I'm wrong here, Treasurer, the Budget contains no CPI and indexation for arts grants, Is that true? And if it is true, will the minister look at committing to automatic CPI indexation for multi-year arts agreements as we manage to get some indexation at least in the community sector?

Mr STEWART - Through you minister, the administered expense line doesn't have indexation for the payments that we make through on those multi-year agreements. We have been engaging with those partners and also with Treasury and we will continue to do so. That's a work in progress. Where we have been successful through the advocacy primarily from the former minister is to achieve the additional \$10 million over four years across those two outputs, which will assist us in being able to provide those multi-year agreements to organisations at levels consistent with or higher than what they've been in the past.

CHAIR - In terms of the multi-year funding agreements, is there an intention to move more to those? Because there are organisations that spend more time trying to prepare a budget submission than they do to create new content. They're demonstrated performance organisations. They're putting out good work every year, so are we going to look at that to make it a little bit more reliable for these organisations?

Mr STEWART - Through you minister, I will probably pass that one to David because I know he's been working in this area in terms of how we design that.

Dr SUDMALIS - Yes.

CHAIR - Good. I'm sure they will be really pleased to hear that, and I will pass that on as yes.

Ms O'CONNOR - The Salamanca Arts Centre - we haven't really had an opportunity to talk about that briefly. Just a quick check on the sort of maintenance costs and any government support for Salamanca Arts Centre, given that a very small amount of money that the centre had been given for its maintenance somewhere in the vicinity of \$30,000 or something has been withdrawn by government, I think that's correct. Is it?

Mr STEWART - The centre is owned by the Department of Natural Resources and Environment Tasmania. They oversee that lease and the maintenance arrangements. I guess the comment that we can make is that the centre benefits from a peppercorn rent in terms of through that lease arrangement and then effectively earn in excess of \$1 million per annum on further renting out subleasing parts of the centre.

Although their direct funding is limited, they do benefit from that arrangement significantly. David, I don't know if you had any further comments in relation to the Salamanca Arts Centre?

Dr SUDMALIS - Two things - and through you, minister - to clarify, it is an NRE and SAC matter in terms of the operation of the lease. I'm not aware of any changes to the ongoing nature of that lease, but that's a question for NRE.

As for the other government support for the Salamanca Arts Centre, recent years have seen SAC, in return for its \$1 per annum rent, return between \$1 and \$1.1 million per year in

revenue and part of that does go towards the maintenance of the site. They generate income and portion that to their arts programming and the maintenance of the facility.

Ms O'CONNOR - Has there been a cut, though, to a small grant that was given to SAC for heritage maintenance?

Dr SUDMALIS - Regarding maintenance, the last piece of maintenance of which I'm aware is the lift at SAC, that previous minister Ogilvie made a forceful intercession and found money in order to remedy that particular matter.

CHAIR - We will move on to screen.

Ms GLADE-WRIGHT - The screen sector are aware that there's been a cultural -

Mr ABETZ - Excuse me, before you get started there's a further -

Mr STEWART - Yes, apologies, and through you, minister, I just wanted to correct the record: the earlier question we had on the difference between the TMAG output in terms of budget and actuals, the reason for that wasn't around infrastructure as previously indicated. There's an allocation within TMAG's budget to fund the operations of the Tasmanian Holocaust Education Centre, which was a commitment previously made in partnership with the Commonwealth government in 2022, I think, or 2021. There was an allocation of \$250,000 a year to support the operations of that centre. The centre hasn't been established yet, so that's been rolled forward.

CHAIR - Thank you. Good.

Mr STEWART - Apologies for -

CHAIR - That's alright, just conscious of timing.

Output Group 5 - Cultural and Tourism Development

5.3 Screen Industry Development

Ms GLADE-WRIGHT - The screen sector is aware that there has been a cultural review into Screen Tasmania. Can you please confirm if a cultural review has taken place?

Mr STEWART - I can answer that one.

Mr ABETZ - Yes. Good.

Mr STEWART - Thanks minister, and through you. Yes, there's a relatively, I wouldn't call it routine, but the areas within - certainly within my space - have undertaken different types of reviews from time to time. Because of feedback from the Screen Tasmania expert advisory group, who make the independent decisions around where investment decisions are made into certain projects, feedback from the sector more generally and my own observations, having taken on this role 18 months ago, it was decided that the small Screen team would benefit from a cultural review. That review is still underway. What we're hoping to achieve is a review on

what works well, what could be improved and what needs to be improved, potentially significantly, so that we can provide as good a service that we can to that sector.

Ms GLADE-WRIGHT - When will the review conclude and will there be recommendations that come out of it?

Mr STEWART -The review's internal, through you, minister. It's ongoing. We're currently working with the staff around the outcomes of that review very openly. I don't have a date but I suspect it will be in the next six months.

Ms GLADE-WRIGHT - Is that something we can get hold of or it's internal?

CHAIR - Is it?

Mr STEWART - I might have to take that one on notice.

Ms GLADE-WRIGHT - Okay.

CHAIR - Are there any other questions for screen? Just conscious of time. Anything on grants and subsidies or capital investment? We sort of covered a bit on that; there's not much in capital investment anyway. That'd be the TMAG money would it - the capital investment?

Well, thanks, minister. We will close this off as we need to go to your portfolio of digital government and information communications technology. Thank you to your team.

The witnesses withdrew.

The committee suspended from 5.19 p.m. to 5.23 p.m.

Innovation, Science and the Digital Economy

CHAIR - Thanks, minister. We have a very pressed timeline I appreciate that. So, if you could introduce the people at your table and I don't know if you want to make any opening comments or go straight -

Mr ABETZ - A very brief one because we've got some breaking news, but on my right is Dr Justin Thurley, chief information officer, Department of Premier and Cabinet. To my immediate left is Mike Mogridge, deputy secretary, Economic Growth, Department of State Growth and on his left is Mat Healey, deputy secretary, Strategy and Delivery, Department of Premier and Cabinet.

CHAIR - And the breaking news.

Mr ABETZ - The breaking news is that it's amazing what happens when there's a new minister appointed, but I can't claim credit for this in fairness. Our Firmus and SUBCO, a subsea cable provider, have announced a new subsea cable investment connecting Tasmania to Sydney and Melbourne. Firmus is a private business operating in Tasmania. It pays commercial

rates and meets the same regulatory expectations as any other company. It is not government-owned, it's not subsidised, it's a commercial operator working within established rules. All Firmus projects are subject to Tasmania's planning laws and approval processes. There are strong independent regulatory systems in place, and Firmus is required to comply with them just like any other proponent. This goes on for a while, but I think it's a 50 -

Mr MOGRIDGE - 60.

Mr ABETZ - Sorry, \$60 million project.

Mr MOGRIDGE - Sorry, 60 terabits per second, through you, minister.

Mr ABETZ - 60, but the cost.

CHAIR - So competing with Marinus Link. Is it competing with Marinus Link?

Mr MOGRIDGE - Discrete to, sorry.

Mr ABETZ - No, no you go.

Mr MOGRIDGE - Discrete to Marinus Link, this is a brand new cable so Marinus Link will still provide capacity, but this will provide significant additional capacity and also resilience in relation to Tasmania having alternative routes and a direct linkage into New South Wales, which will provide profound resilience for Tasmania.

Ms LOVELL - Forgive my ignorance. It's an energy cable?

CHAIR - No, data cable. Just data, but Marinus Link has a big data cable with it as well.

Mr ABETZ - All privately funded.

Ms LOVELL - On that announcement, on that breaking news, it's hard to ask questions about it without a lot of detail. They've announced they're intending to proceed with this project? They'll still have to go through all the normal approvals and -

Mr ABETZ - I would assume that that is the case.

Ms THOMAS - It hasn't just appeared there overnight.

Mr ABETZ - No.

Ms LOVELL - That's what I'm wondering. It's at the stage of them announcing their intention to proceed with this project. Is that correct?

Mr ABETZ - It's the announcement of a new subsea cable investment connecting Tasmania.

CHAIR - What's the timeline? Do we know?

Mr ABETZ - I don't have that detail. It's breaking news and none of the -

Dr THURLEY - I do, through you, minister, I believe they're intending to start the work in 2027.

Ms LOVELL - Subject to all of the approvals and things, presumably?

Dr THURLEY - Yes.

Ms LOVELL - Okay. I was going to move on to something else, but if anyone's got any questions on the breaking news?

Ms THOMAS - What's the catch? They've just decided out of the goodness of their heart.

Mr ABETZ - What a welcome to a private investment. There is no catch. Undoubtedly, they've made a business decision that an investment of this nature will undoubtedly provide a return to them, I would imagine, which is indicative of some degree of confidence in matters Tasmanian, which -

Ms O'CONNOR - Or they think this government's a pushover for any development at any cost, but yes, it could be either.

Mr ABETZ - But there is, as I indicated to you, no cost to the Tasmanian taxpayer. All fully privately funded.

Ms THOMAS - Forgive me for being cynical.

Output Group 3 – Community and Government Service Delivery

3.1 Digital Government and Information and Communications Technology (ICT) - Strategy, Policy and Service Delivery

Ms LOVELL - Minister, thank you. I have some questions about the Digital Tasmania strategy and the digital inclusion framework. How much funding has been allocated to the implementation of this strategy in the Budget?

Mr ABETZ - It's a framework document that does not have funding connected to it. Thank you, Dr Thurley.

Ms LOVELL - Are there measurable outcomes that are expected to be delivered from the framework and the strategy?

Mr ABETZ - Seeing that Dr Thurley has the framework in front of him, he might be able to assist.

Dr THURLEY - I certainly can, through you, minister, just give me a second to get my best possible version of that. The Digital Tasmania strategy sets out a vision for the Tasmanian economy, business and community. It's looking for where communities, business, and government can confidently participate and thrive in a rapidly changing digital world. We've crafted this framework in terms of a range of priorities, outcomes and focus areas. The main priorities that we have lined up are: inclusion and access; skills and capabilities; trust, safety, and transparency; and modern connected digital services.

Ms LOVELL - What specifically will you be measuring in terms of those goals, I suppose?

Dr THURLEY - Through you, minister, we've identified outcomes for those particular priorities. In relation to inclusion and access, we're looking for - so Tasmanians can access and confidently use digital technologies and services. For skills and capabilities, we're looking for - Tasmanians that have strong digital skills and capabilities, in terms of trust, safety and transparency, we're looking for digital systems that are trusted, safe and transparent.

Ms LOVELL - Sorry to cut you off, but I'm just conscious of the time. How will you measure those things?

Dr THURLEY - So, we would measure them through the range of -

Mr ABETZ - Yes, quickly, this framework is publicly available?

Dr THURLEY - Yes, it is publicly available.

Mr ABETZ - That's page 15 that Dr Thurley's referring to.

Ms LOVELL - Yes, so, specifically what I'm asking is really not, I understand, in the framework, which is how will those outcomes be measured. Because it's all well and good to say that the vision is for a Tasmania that's, you know, can participate online, what have you. But, how will you know that that's happening?

Dr THURLEY - Yep, so, the idea is that we identify a range of focus areas. Those focus areas would be connected to an action plan and action plans, and those plans would have either KPIs or milestones connected to them to demonstrate that those outcomes are being met.

Ms LOVELL - Have they been developed yet?

Dr THURLEY - Not all of them, but we do have some components already in play.

Ms LOVELL - Are they publicly available?

Dr THURLEY - It certainly is in terms of the strategy as it reads at the moment, and as we update the strategy we'll be adding to the action plans that we produce in time.

Ms LOVELL - Just one further question on that. Minister, will the government commit that essential services will remain available by phone, paper and in-person channels, not only digitally available through websites, apps or QR codes?

Mr ABETZ - Look, I would have to take that on notice as I dare say it wouldn't depend on the particular service, but -

Ms LOVELL - Okay. Happy to take that on notice.

Ms O'CONNOR - Minister, earlier today the acting secretary of State Growth confirmed that there are external advisers advising DPAC on the AI Accelerator project. Who are those external advisers?

Mr ABETZ - Mr Healey?

Mr HEALEY - So, in terms of the AI Accelerator, firstly, we have engaged Chris Eccles on the broader efficiency.

Ms O'CONNOR - Chris Eccles?

Mr HEALEY - Former secretary of Premier and Cabinet in South Australia, New South Wales and Victoria. He's providing support to the government and identifying the board efficiency and productivity agenda. One part of that includes the AI and digital on the modernisation of service delivery broadly. As we move into the development of the AI Accelerator, we certainly will partner with other people in the private sector, but there are no identified consultants engaged in the development of that capability at this stage.

Ms O'CONNOR - Are there any external - Mr Gregory was quite clear, he did use the term 'advisers', it was plural. Are there any private entities advising DPAC on the AI Accelerator project?

Mr HEALEY - So, the only other relationship that we have with a private sector entity is DPAC is working with Intuit, a local company, on trying to build capability in the department around the use of AI. We're running some small trials with staff across the department, and they have considered the role of the AI Accelerator just as part of that relationship, but they're not contracted to do so.

Ms O'CONNOR - Okay. The secretary's board, as we understand it, is developing an AI policy. How progressed is that AI policy and what does it contain to date?

Dr THURLEY - So, we've been through a long-term consultation process in developing a new policy framework for artificial intelligence use in government, or responsible use of artificial intelligence in government. That is at its final stages. It's about to be presented forward for endorsement and implementation within government. We're just waiting on the final clearances et cetera.

Ms O'CONNOR - Thank you. Can I ask who was consulted in this extensive process?

Dr THURLEY - We've undertaken, look, it's been quite a long journey, it's been untaken through just about every agency in government with various stakeholders at various levels. We've consulted with external entities, other jurisdictions in particular, and we've been working with the Commonwealth government on a number of common projects, so, we've used a lot of the input from that. We've also been working with some other governments to provide input on that. They've developed policy and strategy around their AI use and their responsible use, particularly around the ethical behaviour aspects of it. We've also consulted with advisories that we have on retainers that we use for this type of work as well. We've also consulted with industry groups within Tasmania, in particular the two main sort of digital groups in ACS, and we also consulted with TasICT, and we've actually had a few other groups that we've worked with as well.

Ms O'CONNOR - Any conversation with Civil Liberties Tasmania, for example?

Dr THURLEY - Civil Liberties Tasmania? No, not to my knowledge.

Ms O'CONNOR - Unfortunate. And, so, when is the AI policy expected to be finalised and when will it be made public.

Dr THURLEY - It's a matter of getting through to the Secretaries' Board of the Tasmanian government and being endorsed at that stage. We don't know; they may not endorse it, but we assume that we will have a passage along those lines.

Ms O'CONNOR - To the second part of my question, are you indicating that it's the secretaries who will approve the AI policy and not Cabinet?

Dr THURLEY - Yes, that is the case.

Ms O'CONNOR - Does that make you comfortable, minister? Because someone's going to be accountable if this AI policy is not the right policy.

Mr ABETZ - And we'll have all the secretaries to blame.

Ms O'CONNOR - You can't do that, can you?

Mr ABETZ - I would have to take that question on notice. I haven't given consideration to this matter previously.

Ms O'CONNOR - The government 18 months ago promised to develop a register for artificial intelligence initiatives, but that seems to have fallen by the wayside. What's happened to the AI initiatives register?

Dr THURLEY - In relation to the AI register and its inclusion in wording in the original AI guidance that we developed at the end of 2024, there is never an intention to make a transparency document. The idea was to produce this document to use for collaborative and knowledge-sharing. Various agencies would have versions of initiative registers and documents like that, but we didn't intend to use it in the sense that it's been portrayed in recent times through media or elsewhere.

Ms O'CONNOR - No one corrected that record despite the portrayal.

Dr THURLEY - Yes, and it is actually if you read into the actual guidelines, especially in that section, recommendation 7, that says, 'this is what will be used for'. Notwithstanding that, one of the key things that we were doing as part of our roadmap moving forward was to understand at what stage do we move from guidance to policy. We all felt that policy and a framework for policy was necessary and there was an agreement on that. Moving to that, we identified very quickly that AI registers were being developed as part of a transparency framework, which we completely agree with, and so did the working group that developed the policy. Coming into the policy, you'll see that the transparency component and the registry component of it will be something that is the feature of that policy.

Ms O'CONNOR - Just to backtrack to the second part of the question, which wasn't answered earlier. Will the AI policy, minister, be a public document?

Dr THURLEY - Absolutely, we would expect to put that document publicly on our website.

Ms O'CONNOR - I'm just struggling to understand how in a Westminster parliamentary system it would be a group of unelected bureaucrats who would approve a policy around the use of artificial intelligence that will impact on the lives and the data of Tasmanians, rather than it being something that goes to Cabinet, where each minister whose secretary is answerable to them, takes responsibility for approving that policy.

Mr ABETZ - That is why I've taken that question on notice previously. Up until you asked the question, I had not given consideration to that matter.

Ms O'CONNOR - You would agree, minister, that in a Westminster parliamentary democracy, the policy of this potential consequence is something that should receive Cabinet attention.

Mr ABETZ - On the face of it, there is merit in what you're saying, but I would like some more time to reflect and, hence, taking it on notice.

Ms O'CONNOR - Thank you. We'll come back to

CHAIR - Thank you very much for appearing before the Estimates committee. We think it's really important the EPA appears independently from the minister, your own independent statutory authority. Can I invite you to introduce yourself and the team, and then we will go straight, unless you want to make some opening comments?

Ms MURDOCH - Only, and because learning from last year, new process, I have only a little statement to just frame what we are and that's it.

CHAIR - That would be great and then go straight to questions.

Ms O'CONNOR - Nice and brief would be great.

Ms MURDOCH - Trying to be.

CHAIR - Thank you.

Ms MURDOCH - Thank you for having us here today, the EPA is one of Tasmania's environment -

CHAIR - Just introduce yourselves at the table for *Hansard*, please.

Ms MURDOCH - Catherine Murdoch, CEO and director of the EPA. To my left is Daryl Cook, director, Finfish Compliance, Cindy Ong, director of Environmental Regulation, and Amanda Locatelli, director of Environmental Assessment.

CHAIR - I'm just checking you got the third one.

Can you just pull the microphone down, because you have quite a soft voice.

Ms ONG - Cindy Ong, director of Environmental Regulation.

CHAIR - Thank you.

Ms LOCATELLI - Amanda Locatelli, Director of Environmental Assessment.

CHAIR - Thank you, thanks Catherine.

Ms MURDOCH - The EPA is one of Tasmania's environmental regulators and is responsible for administering the *Environmental Management and Pollution Control Act*, the *Litter Act*, and the *Marine-related Incidents Act* and has a duty to enforce compliance and identify any offences under these acts. The EPA does not establish government policy or legislation. The EPA has 124 staff to deliver on our responsibilities under this legislative framework across the areas of environmental assessments, air quality, water quality, noise management, industrial regulation, wastewater, contaminated land, fish farming and waste management, environmental investigations, and incident response.

The work undertaken across the EPA is underpinned by the best available science and information, evidentiary decision-making principles, and professional rigour. The depth of the science expertise within the EPA is substantial. The majority of EPA staff have qualified with a bachelor's degree or higher in science and environmental fields across all divisions. Over 110 individual bachelor's degrees and over 20 higher degrees are held by staff across the EPA.

What I really want to say today as well is the EPA is focused on transparency. I understand that is important for us to show how and why we make decisions. I also understand that it is important to provide factually correct information to the community. To this end, the EPA is continuing to identify opportunities for active and routine disclosure. Over the last 12 months, we have released for the first time our environmental infringement and warning notices annually, six monthly oxygen monitoring results from Macquarie Harbour, quarterly releases of monthly salmon mortality data, salmon waste management plans, monitoring results updates for antibody residue monitoring, notifications for all dosing events, including start date, duration, and maps which are published in real time, monitoring schedules for antibiotic residue monitoring published in real time, and monitoring reports for antibody residue monitoring published within a three-month timeframe of completion of dosing.

We will continue to actively look for opportunities to release information that is factually correct and complies with the requirements of relevant legislation. For instance, we are now also in the process of implementing Aquarius, a new water data information management system, which will enable us to have a live portal where all our water-related data and monitoring results can be viewed publicly.

Science, transparency, and independence is at the heart of what the EPA stands for, and I look forward to answering your questions.

Ms O'CONNOR - Thank you, Chair. Thanks, Catherine. When we had Macquarie Point Development Corporation in yesterday and I asked the CEO, Ms Beach, about the volume of contaminated materials on the Macquarie Point site. She indicated that it was about 100,000 cubic metres and that seems to be somewhat less than we were told at the Estimates table last year. Last year we were told 130,000 cubic metres by Ms Beach and then you came

in later and said you thought it was in the range of 130,000 to 220,000 tonnes. What is the EPA's understanding of the volume of contaminated materials on the Macquarie Point site?

Ms MURDOCH - The figures I will go through just for clarity were provided to us in May 2025 and that is what we are still working off, Ms O'Connor. To be clear, so I don't confuse numbers, level 2 versus level 3, or would you like a combined total?

Ms O'CONNOR - It was the combined total. We didn't get into the levels yesterday with Ms Beach, it was just the volume.

Ms MURDOCH - The combined total we have is - and I have it in tonnes and cubic metres this year, so we don't get confused - 298,000 tonnes or 175,000 cubic metres. They're based on May 2025 figures. I'm not aware that we've been given any updated figures from Macquarie Point. They may have new figures that they're presenting to us as part of our ongoing conversations, but they're the figures we have stipulating May 2025.

Ms O'CONNOR - Okay, so in November of last year, despite the fact that this information was available to the EPA in May of 2025, as we're told, in November last year, we were told it was somewhere between 130,000 and 220,000 tonnes. There's a distinct numerical difference. I have the *Hansard* here from last November.

Ms MURDOCH - These are the figures that the team has provided to me. I think we were talking in tonnes, and we did have confusion around whether or not car parks or things were in as well, I understand, but these are the correct figures that I have that we're currently on the record as saying.

Ms O'CONNOR - When was the last time that the EPA engaged in a conversation with MPDC about the volume of contaminated soils on the site?

Ms MURDOCH - My team meets actually weekly with MPDC, so there's a lot of regulatory effort in this space. I have a specialist contaminated lands officer who is specifically working on this project, so these figures have been provided to me by that person; but they meet weekly, are going through all the environmental management plans and requirements on site, and understanding our regulatory requirements that I need to fulfil my functions as a director on site.

Ms O'CONNOR - I'm still a bit baffled by the three different sets of numbers here. There's a set of numbers we were given last November by yourself; there's the number that we were given by Ms Beach yesterday, which is substantially less than 175,000 cubic metres. What we were told was that there's 100,000 cubic metres of fill that will need to be treated or dealt with on site, and yet it's a substantially larger volume that we're told about today. Moving on from that, because it's probably not going to be resolved by you at this table and I don't want to be unfair to you at all, Ms Murdoch, I really, really respect the work of the EPA; has the EPA been informed when it will receive the Construction Environmental Management Plan?

Ms MURDOCH - We haven't been informed when we will get it, but I am absolutely sure of my obligations under the order to approve that, and that we have a month to. My team is actively working with Macquarie Point so that they do understand their obligations of what needs to come in that, and I will assess that in accordance with the requirements of the order. I don't yet know when it's coming, but we understand the structures around what it needs to do.

Ms O'CONNOR - So, we were also told yesterday that some of the bulk earthworks which will be undertaken by Hazell Bros are scheduled to start next month, and yet the EPA doesn't have - I guess what sort of documentation does the EPA have, or assurance from MPDC about how those site earthworks will be undertaken?

Ms MURDOCH - Absolutely. So I presume those works are in accordance with the preparatory works that we've already approved, or have put forward. We're waiting to cover those works. A site environmental management plan is being developed and is required, and those works cannot start until I approve that site environmental management plan. For preparatory works, that is the process that needs to be done, and I'm expecting that plan imminently, I think, over the next coming weeks. Do we have some figures?

Ms O'CONNOR - It was indicated to us that not all of the bulk earthworks would be considered site preparatory works under the Macquarie Point order. What does the EPA understand the other bulk earthworks would fall under and how they be managed?

Ms MURDOCH - So, stage 2 bulk earthworks - and I might pass to Cindy in case she's got some additional - but stage 2 bulk earthworks are the major - and it depends what we're calling bulk earthworks, I have to say, but that is under stage 2. Stage 1 is the preparatory, stage 2 is the bulk works under the order, so -

Ms ONG - I don't really have any additional detail to add to that.

Ms MURDOCH - If we head to stage 2 and bulk earthworks, I can say I understand the position to be that the site environmental management plan will cover stage 1 preparatory works.

Ms O'CONNOR - You haven't received that plan yet?

Ms MURDOCH - No. We've had a lot of input into it. It's in its final stages, so I'm comfortable that the controls in that, and around contamination, are right and being informed, and also things such as protocols around interception, unexpected groundwater occurrence and things like that. So, those environmental conditions will be managed there.

Ms O'CONNOR - Okay. Well, let's just drill into that a little bit: what makes you comfortable about how contamination risks will be dealt with onsite?

Ms MURDOCH - Yes. Absolutely the CEMP has to handle that, and whether or not it's - and Macquarie Point has certainly put forward some indication that they'd like to treat as much as they can, and reuse appropriately onsite if appropriate.

Ms O'CONNOR - What does treat mean, in terms of soil that contains asbestos, lead, potential chemicals of concern, petrochemicals and the like?

Ms MURDOCH - There's various technologies that can do that and I think it's called cute, isn't it to - what does cute stand for? There is methodology in this space, and my contaminated soil expert's -

Ms ONG - Clean to extent practicable.

Ms MURDOCH - Clean to the extent practical is within the industry a standard to which things can be treated. So, depending on - and that's what will need to happen - is the assessment of those soils, what is that? But I do understand there are industry standards for that, Ms O'Connor. What I understand, if it can't be treated, then, yes, it will have to be disposed, and, as we know, and, as we've said on the record, what that amount - that is up to Macquarie Point as they're excavating to understand their strategies around that to put to us, and for them to manage across the 12-monthly cycle of excavations.

Ms O'CONNOR - Okay, thank you. If you could just remind me, because I don't have EMPCA in front of me, the level 1 contaminants are the most contaminated?

Ms MURDOCH - Least.

Ms O'CONNOR - The least: thank you very much.

Ms MURDOCH - Level 3 is the most.

Ms O'CONNOR - Of the level - what is the EPA's understanding of the volume of level 3 contaminants.

Ms MURDOCH - Level 3 contaminants across all three stages, as I understand, [inaudible] I'm saying with the information from May 2025, is 17,000 cubic metres.

Ms O'CONNOR - 17,000 cubic metres, and so what is the EPA's expectation about precisely how that material will be dealt with from excavation to storage to disposal?

Ms MURDOCH - I understand around this one, there's opportunities for disposal and, as we know, Copping is able to take 45,000 cubic metres - tonnes, actually, so it's more, actually, 45,000 tonnes if it was all to go to landfill, so that space is there. I do understand that some of the level 3 may be able to be treated, 8000 cubic metres is potentially able to be treated onsite, so that takes that down.

Ms O'CONNOR - What does that mean? How do you treat a large volume of material that will contain asbestos, lead, petrochemicals and other potential chemicals of concern?

Ms ONG - If it's contaminants that can volatilise and go into the air, sometimes treatments known as land farming - so it can sit there and be turned, and the -

Ms O'CONNOR - What, is it sealed?

Ms ONG - Sealed?

Ms O'CONNOR - If it's something that could be blown about by the wind and affect the health of the people of the city of Hobart, what does that mean?

Ms MURDOCH - Yes. Absolutely.

Ms ONG - Yes. So that needs to be done in a controlled way.

Ms O'CONNOR - What's that, sorry?

Ms MURDOCH - It's in a controlled way in a controlled environment.

Ms O'CONNOR - But what is that? Sorry, I'm trying to understand. What do you do? Do you put a tarp over it? Do you dig a big hole and seal it with concrete? What does that mean?

Ms MURDOCH - I'm not going to pretend to be a technical expert in this, but my people are, and there are set, standard industry practices for this that -

Ms O'CONNOR - Yes, but what are they?

Ms MURDOCH - As we're saying, that one, I presume it will be in a contained - well, I'm not going to presume because I am not going to go into hypotheticals.

Ms O'CONNOR - I think we should be careful about presuming something which has a serious human health risk.

Ms THOMAS - They haven't got a plan yet, I think.

Ms MURDOCH - Well, no.

Ms O'CONNOR - But there will be industry standards about how you deal with it.

Ms MURDOCH - So just to be really clear: they don't have a CEMP in place, right? For the preparatory works they do have, and the site environmental management plan will cover off on some of these issues, so I'm about to see these. My soil expert is telling me that there is potentially 8000 -

Ms ONG - 300.

Ms MURDOCH - 300 cubic metres of level 3 in the preparatory works, which he is telling me can potentially be treated onsite on the approval of the appropriate technology and approach. I can take that question on notice and bring you back information.

Ms O'CONNOR - That would be great.

Ms MURDOCH - But I'm comfortable, my specialist - he's on this, pretty much this is his job, he knows what he's doing, he's an expert in contaminated - and he's been on this site for many, many years. So happy to take that as a question on notice about -

CHAIR - We will write to you with that, Catherine, yes.

Ms O'CONNOR - It needs to be really clearly understood what are the treatment methods for heavily contaminated soils onsite that pose an established public health risk.

Ms MURDOCH - Yes, and very happy to provide that information.

CHAIR - But not all contaminated soils can be treated onsite.

Ms MURDOCH - Absolutely not.

CHAIR - It is only those that can be treated on site.

Ms MURDOCH - And determining what they are needs to be as part of that plan and it would be that triaging approach to doing that.

Ms O'CONNOR - Okay, and is there any update. Last year, Ms Beach said that, of the soil there, level 1 to level 3, 72,000 tonnes have been removed or beneficially reused. I'm glad it's not in my garden. There have been 2.3 million litres of contaminated groundwater removed, over 2000 soil samples taken, 175 groundwater wells, 700 bore sites for testing, 1400 soil samples. What's the EPA's understanding of what's been treated onsite or removed from the site to date?

Ms MURDOCH - Let's just remember that this site has been in remediation since 2013, as I understand. All of those works are included in all of that. All of this isn't just about the stadium project. It has been an industrial site that has been remediated since 2013. A lot of those works I would expect would have been in those. This is a long time on this site and that we have been involved in that and because it was my experts that have been involved in a lot of those processes.

Ms O'CONNOR - OK, and there is another level, isn't it? There's a level 4 contaminated soil?

Ms MURDOCH - Yes.

Ms O'CONNOR - The most contaminated possible soils. Have any of them been identified on the Macquarie Point site?

Ms MURDOCH - Not that I'm aware of, no.

Ms O'CONNOR - Alright, thank you. When we put a question on notice for you, it'll be about how the soils are expected to be excavated, treated and stored on site, and those that are disposed of, how they'll be disposed of and where.

Ms MURDOCH - Okay, but what I thought we were also clarifying is how do you treat a level 3 soil. What are some of the processes that can be done to treat that down to a level 2. That's what I heard in your question as well, so, to provide that information to you.

CHAIR - We will write to you.

Ms O'CONNOR - In practical terms, once the EPA receives the Construction Environmental Management Plan and then there's further preparatory works can be undertaken, what is the EPA's onsite role?

Ms MURDOCH - We're obviously a regulator and our regulatory role was not taken away under the order, as we know. Like I said, we're meeting at this point in time weekly with MPDC, the team. That team will have absolute auditing onsite inspection functions and that will continue and, as we know, most of our presence needs to be around the preparatory works

and the bulk excavation. That is where most of our environmental involvement is. Once it's up into construction, the main environmental aspects of risk have gone. That's where our presence absolutely has to be, but the team will be there. There will be inspections. We'll be ensuring compliance with our conditions as outlined in the order.

Ms O'CONNOR - Can I just understand how during a bulk excavation process, when you have excavators and things like that in there digging up contaminated soils, how do you mitigate against the risk of airborne dispersal of those contaminants during excavation, not storage?

Ms MURDOCH - Having been on lots of construction sites, and I have, there are various mechanisms and, obviously, depending on what you're dealing with, and this is what we would expect that when we get the CEMP that there will be different orders of what is the contamination, what is the level, what is the soil. There are different methods in regard to wetting down. If it's an airborne, that there's dust, if it's a risk that those contaminants will get into groundwater, you need to have groundwater interception plans in place. You need to have soil erosion control. They are all the things that we will be looking for and to ensure those measures onsite. It's your stockpile management, it's like, 'Are they covered, are they not, are they open to the rain?' It's understanding what the dispersal mechanisms for the actual contaminant is and that soil. I expect the CEMP to tell us what are the soil types we're dealing with; what are the contaminant sites; how does that all come together to mitigate these risks. And that's what we'll be expecting to see in the CEMP.

Ms O'CONNOR - In terms of mitigating that public health risk to the greatest extent that it's possible to do so, it's quite a busy area of Hobart. You have accommodation across Evans Street and on Davey Street with the Grand Chancellor. You have quite a bit of foot traffic through there. How is that managed during works?

Ms MURDOCH - That'll have to be a site management traffic plan, and that's not something I do regulate, but I would expect a traffic management plan will absolutely intrinsically have to be approved by the Hobart City Council and whoever the relevant regulators are in that space.

Ms O'CONNOR - Finally on this. So, if the construction environmental management plan comes to the EPA - I note what you said earlier about being in regular conversation with the MPDC, so, presumably they'll present something to you which has already been negotiated. But the EPA wouldn't, simply because of those negotiations, sort of rubber-stamp a Construction Environmental Management Plan. We can hopefully count on that.

Ms MURDOCH - Can't say I will ever rubber-stamp anything, Cassy, and I can promise that any decisions that I make will be based on contemporary science, evidentiary decision-making and transparent. I can absolutely guarantee that I will be doing that every day in my job. So, I will not be rubber-stamping anything. We will be looking at this, I will confer with my experts about 'does this adequately manage the risk, are all the risks identified and are we happy to approve this document'. It will not be approved if it does not manage the risks of that site.

Ms O'CONNOR - Okay, I'm happy to move on from that.

CHAIR - Yeah, Clare had one. Did you want?

Ms GLADE-WRIGHT - I'm interested in your antibiotic residue monitoring schedule. It says on your website that it's new. Can you just tell us about when it started and how frequently you'll be testing for antibiotic residues?

Ms MURDOCH - Okay, so, just to clarify, the antibiotic residue monitoring programs were what my scientific team in the finfish science developed up for the florfenicol treatments. So, antibody residue monitoring programs for every treatment were developed, and that's for the first time we've actually put those up on the website. So, any therapeutic treatment in finfish in the state will have an antibiotic residue monitoring program to it, and we will make that publicly available as to what's being monitored for. Does that make sense?

Ms GLADE-WRIGHT - And so how frequently will you be testing for the residues?

Ms MURDOCH - We only do it when a treatment is on, and scientifically they vary depending on the therapeutant. So, for florfenicol, which we've done quite a few of them, it was to establish a monitoring program which was prior to treatment, during treatment and after treatment for testing for that actual antibiotic in the water.

Ms GLADE-WRIGHT - So, not in the sediments.

Ms MURDOCH - In the sediments as well. So, it was in the sediments, in the water and for health, because we were helping out with their health monitoring for human health, it was wild fish. But, from an environmental perspective, we're interested in water and sediments.

Ms GLADE-WRIGHT - So, does the monitoring incorporate testing for antimicrobial resistance of bacteria, because that's really where I'm trying to get to.

Ms MURDOCH - Gotcha. So, in regards to that we realised, obviously, and when florfenicol came about, that in concert with our discussions with our colleagues at Public Health, that it was a very contemporary health matter that needed to be considered. So, before any florfenicol treatments occurred, we designed a program in consultation with Health and IMAS to take samples prior to, during and after that treatment event. What I can tell you is, and I'll just be quite specific as to what we're doing, so, those samples that have been collected, the overarching objective of the research that's going to be undertaken in that space - and, sorry, this is just what the scientists have told me - this is to elucidate any shifts in the benthic microbiomes and identify phenotypic and genotypic evidence of antimicrobial resistance at salmon leases associated with the use of antibiotics.

Ms O'CONNOR - Just at the leases, or what distance from the leases?

Ms MURDOCH - We're really in the stages of designing that, and I think - look all of us at this table know that antimicrobial is going to be long-term research program - so I think what we've done is, what the research questions that we would like to answer probably will be more than just this research, these samples that have been taken. It will be ongoing. So, we've established across Public Health, Bio-Security, ourselves, IMAS and potentially veterinarians what an ongoing research program could be. But I think it's important to know because it's a really good point for us to clarify. It was like, 'you didn't do antimicrobial resistance?' No, we absolutely knew that needed to be done and I will be honest, Daryl came to me and went, 'I think we have got to do this', and we went out and did the sampling. Once that research is

finished - and we will be looking for external funds to increase what we can do in this area - but importantly, understanding what our role is like in this space. I know it's complex. We always go, but obviously, Public Health is responsible for human health antimicrobial resistance. Obviously, NRE Tasmania, because of Biosecurity in Tasmania and the Chief Veterinary Officer there, they have carriage of animal health, safety of primary produce, but it's all coming together collectively. To do research and understand collectively what we need to do - that's where we're at, if that makes sense.

Ms GLADE-WRIGHT - Yes, it's really concerning what's happened in Chile. There's measurable increases in antimicrobial resistance in the surrounding marine environment around the salmon farms. With that knowledge, what are your thoughts on that?

Ms MURDOCH - Yes and I think again, it's where context is important and numbers can be a bit dangerous if out of context as well. And if I'm getting it wrong, step in for me. But importantly, this study in Chile is being - I'm quoting, I know, Dr Raymond Bannister might have. But remember, the concentrations in that study are 250 times higher than anything we detected over the summer. It's really important to understand the science behind some of that. The sites we're talking about in Chile where this piece of research that people are absolutely talking about, the amount of florfenicol used and the results in the water were at or above concentrations 250 times higher than the -

Ms O'CONNOR - They've been doing it for longer.

Ms MURDOCH -But, just because of how fast -

Mr COOK - They've been using florfenicol for a lot longer, is that what you mean?

Ms O'CONNOR - Much longer.

Ms MURDOCH - Yes, but it still, as we know, the florfenicol how it goes away.

CHAIR - What's its half-life?

Ms MURDOCH - Excuse me, half-life?

Mr COOK - Half-life, 21 days - depends on what we're talking about. Yes, 21 days.

Ms O'CONNOR - It doesn't stop being residually impactful on biota at 21 days.

Mr COOK - Potentially, yes, so I think the important -

CHAIR - It's half-life is 21 days.

Ms O'CONNOR - Yes, but what it breaks down into still has an impact on marine ecology.

Ms MURDOCH - Amines still go - oh I don't want to start talking to, without making sure I'm not stuffing up Raymond Bannister's science.

Mr COOK - I thought the important point here is, once we start talking about a Chilean paper, there are multiples and we have to be careful about which one we might be talking about. We may express some caution around taking those results.

Ms MURDOCH - Exactly.

Mr COOK - The important point I think the CEO is trying to make here is that we very much acknowledge this needs further study. We have collected a lot of samples on transects leading out from the treated pens and at untreated leases and at reference sites and all over, so we have the data already. Sorry, have the samples already, and we're finalising the actual research program to pursue those questions.

Ms GLADE-WRIGHT - I've obviously just come out of a campaign period and for the people down in the Channel, it's a really big concern, and you can really hear in people's stories how they're not wanting to go swimming over summer.

Ms O'CONNOR - Go fishing.

Ms GLADE-WRIGHT - There are lots of concerns, so how are you going to comfort the community around this concern? It's more specifically about antimicrobial resistance.

Ms MURDOCH - Which I will be honest, I don't understand that and the human health aspect. Obviously, Dr Veitch has absolutely come out and said there was no human health risk within the fish -

Ms O'CONNOR - With very limited knowledge he came out and said that.

CHAIR - We will ask him further tomorrow about that, Clare.

Ms MURDOCH - So human health, I'm not going to step into Public Health's lane. What we have done is around environment, environmental risk, and environmental harm and that is the work we put out. That is what our work has been around, is environment.

With antimicrobial in the environment, it's different. It's about the impact on biome and in fauna, whereas the - and that's right, isn't it Dr Bannister - compared to human health and food safety where it's different science.

Ms GLADE-WRIGHT - You're changing an ecosystem though, aren't you?

Ms O'CONNOR - Yep.

Ms MURDOCH - I'm not, no, I don't actually - we're not. Just to be really, really clear, our results that we put out last week said the results of over 4500 tests -

Ms GLADE-WRIGHT - That's for florfenicol, not for antimicrobial resistance.

Ms MURDOCH - We're still talking here about the use of florfenicol, so I'm sorry, they are connected.

Ms GLADE-WRIGHT - The test you're referring to didn't really go far enough.

Ms MURDOCH - No. Just to clarify, what this globally significant piece of work that has been peer reviewed and is nation and international leading has indicated that how florfenicol performs in the environment. It is also said that we have set for the first time in Australia a default guideline value for florfenicol which is 10 times lower than any of the monitoring results we got. Now, how you set that is on what's called species sensitivity curves, right?

Ms GLADE-WRIGHT - I remember this, I went to the briefing.

Ms MURDOCH - What that is about is when will harm, so you're talking about harm occur to any of those species. Now when you set your default guideline value you set it for the most sensitive species. Those that are up here that could take a lot more, they're protected if we set it here. We've set it at that lowest amount and none of the samples hit that amount. When we're talking, we can categorically say that over the summer there was an environmental harm, and then saying that we didn't do the antimicrobial, we did discuss it a bit in the report, but it is obviously something we need to investigate further, but that does not mean harm to the environment.

Ms O'CONNOR - But we don't know so you can't say that equivocally, with respect. We don't know that because the extent of the testing, it's quite limited at this point.

Ms GLADE-WRIGHT - Because this is my very basic understanding, if you are putting superbugs into the ecosystem how is it not changing the environment?

Ms MURDOCH - That is not my field and I'm not sure anyone's putting superbugs into this. I can't comment on that. I think it would be inappropriate for me to comment on that.

Ms GLADE-WRIGHT - Can you explain what antimicrobial resistance is, please?

Ms O'CONNOR - Perhaps we can get Darryl to do that.

Mr COOK - Antimicrobials is another word for antibiotic, so antibiotic resistance. It means the buildup of resistance to the antibiotic in microbes. That's the concern and while I accept there's unknowns in this area, I think what we would probably all agree with is that is something that can build up over time. As you use more antibiotics over time then certain genes -

CHAIR - You don't complete the course and all of that.

Mr COOK - Certain genes that are already there in a microbe in the environment can become increased, they call it 'upregulated', so there's more of those and they are detectable. Those genes are detectable in the environment and that's what the research will be specifically looking at. It's quite cutting-edge technologies that we can use to look for those things and then over time you might want to track whether there's an increase in that. When you talk about the environmental impact, we're talking about a fish farm where there's already a changed environmental condition so the microbes at the fish farm are already affected by the presence of a fish farm. That's the microbial community that you potentially impacting when you use an antibiotic at the farm.

As I say we have all the samples already for that but if there's an impact there, you also then want to know how quickly it recovers because we want to keep a good healthy microbial community at the fish farm to keep processing the waste that comes. We will need to get more samples to look at that recovery. That's the environmental side of it. Is the community of microbes that live there being changed and how long does it take to recover, but we will also be looking for that genetic resistance or build-up of resistance in that community. The answers to that will go to our friends at the Public Health Centre.

Ms MURDOCH - Also I think Deb McSweyn is because she's an expert in this space who is the Chief Veterinary Officer who has had a really big discussion on this already today as well. I think you have to keep it in context around what's happened this summer, what are the results actually telling us about environmental harm and those things as well from what we can use guideline values and all that for. Really happy to have further conversations because, yes, the research is being done and will continue to be done.

Ms GLADE-WRIGHT - The results that you said will go to the Department of Health, will they also be published?

Ms MURDOCH - Everything we do will be published. We're working collectively on this because it is a collective topic that has to be done collectively, so biosecurity, ourselves, public health, it has to be a collective research effort.

Ms GLADE-WRIGHT - I've got one other question that's slightly off -

Ms O'CONNOR - Can I just check before you go there, thanks Clare, what's the EPA's understanding of the total tonnage of florfenicol that's been deposited to date?

Ms MURDOCH - Yes, so 3610.5 kg is our verified actual amount to date.

CHAIR - How many dosing's is that?

Ms MURDOCH - That's 14 treatments.

Ms O'CONNOR - So, 3605-

Ms MURDOCH - 3610.5.

Ms O'CONNOR - 3610.5 cubic-metres or tonnes?

Ms MURDOCH - Kilograms.

Ms O'CONNOR - Kilograms, so it's 3.5 tonnes and that's across all fish farm sites on all coasts?

Ms MURDOCH - That is for the 14 veterinary medical authorities from the 7 November 2025 until 19 January 2026.

Ms O'CONNOR - 7 November, but the deposition of florfenicol began before that, didn't it?

Mr COOK - No, first treatment.

CHAIR - How many dosing's, or whatever you're calling it, occurred?

Ms MURDOCH - That's 14.

CHAIR - So 14 different times, so you're confident they've told you about every one they're doing?

Ms MURDOCH - Yes, what we're waiting to come in, which we will be releasing our final checks on, are the treatments at Great Taylors Bay and Roaring Beach (Redcliffs) site, and then Sheppards and Roberts, and these will all be released by June, so yes.

Ms GLADE-WRIGHT - The other question I had was around, again on the campaign trail, a lot of people in the Huon are really worried about the ageing septic systems and people's shacks and things just being plumbed straight into the Channel. Is that in your remit?

Ms MURDOCH - No, sorry, that's councils, but they need to -

CHAIR - TasWater.

Ms MURDOCH - No, it's councils -

Ms GLADE-WRIGHT - I've come from council, they said that's not our jurisdiction, the high water mark.

Ms MURDOCH - They still have regulatory responsibilities under EMCA, so yes.

Ms THOMAS - Oh sorry, did you say at a high watermark?

Ms GLADE-WRIGHT - Yes.

Ms THOMAS - Unless it's deemed Crown land, then what?

Ms MURDOCH - We regulate sewerage septic sets. We've got 77 that we regulate, level 2. Councils are all level 1 and generally septics. I've got a former environmental planner at the table for councils as well.

Ms GLADE-WRIGHT - You can't test the water cause council don't do -

Ms MURDOCH - They're responsible.

Ms GLADE-WRIGHT - They might be able to look at people's land bit, but what about the in water?

Ms MURDOCH - No, no, they're still responsible, the regulation of that septic, they are required, under EMCA, to regulate that.

CHAIR - Make sure it doesn't run off. That's their job.

Ms MURDOCH - That is their job.

Ms O'CONNOR - Speaking of regulatory responsibilities, I'm sure you've read the Auditor-General's report -

Ms MURDOCH - Yes, last year.

Ms O'CONNOR - on the management of landfills in Tasmania, which he produced in September of last year. He makes the observations in his summary of findings that there's no comprehensive coordinated oversight of landfills across the length and breadth of the state, that the *Environmental Management Pollution Control Act of 1994* is overdue for review, no longer fit for purpose in addressing the complexity of contemporary environmental management, including landfill regulation. That the EPA's regulatory activity has been impeded by outdated, non-integrated data systems, that appropriate record keeping and risk-based site monitoring has been deprioritised as a result, and that the EPA does not have an effective approach to updating permit conditions.

I note that there has been a response, the EPA's response, I think to the Auditor-General's report. Can we just talk through, I mean many of them are agreed in principle, but what will change from the EPA's point of view to reassure Tasmanians that the many landfill sites across Tasmania, some of which the Auditor-General's office was unable to locate, are being appropriately monitored and managed?

Ms MURDOCH - I think we discussed this report last year as well and, yes, we do agree in principle. Again, this is one of the areas where the crossover with what is local government's role and ours, I think was confused in the report. But, we are looking to develop better systems, as we've said, and, hopefully, through NRE Tas and waste recovery and those things, better systems to data share to establish a single source of truth. So, the implementation timeframes that we had set, as I think are in our response, are 2026-27, and we're looking at having those data-sharing agreements with NRE Tas and - I'm sorry our systems upgrades that's not just the NELMS, it's the REGIT update but also the TASRAM was going to -

Ms ONG - Yes the NELMS and REGIT upgrade is relevant to this.

Ms MURDOCH - Yes, so I'm not sure if you've met our current - what we did get funding for in the Budget that did continue - our existing system for all our licences and regulatory effort are pretty well 30 years old?

Mr COOK - Not that.

Ms MURDOCH - 20? That system will give us a much better understanding of, you know, being able to get all our permits and see what's out there and all those that -

CHAIR - What didn't you get funded for that you wanted?

Ms MURDOCH - I think what you've seen in our budget is there'll be no FTE cuts at the EPA as a result of the Budget, which is a good position for us to be in.

Ms O'CONNOR - It's the bare minimum positive.

Ms MURDOCH - We didn't put in for any other - we've obviously - because it's also about -

CHAIR - You're maintained, yeah?

Ms MURDOCH - We're maintained. This piece of work on getting our regulatory system into place is critical for us because we're kind of drowning in a system that, you know, you want to get a new licence out and, to be honest, it ends up taking three weeks because of these systems, and just being able to have visibility across and to have access to all of our licences, records.

CHAIR - So you won't be limited in what you can do? Unlike the Auditor-General, it will be limited under - well, he's not going to change his plan, he said, but his budget doesn't provide for it.

Ms O'CONNOR - Well -

CHAIR - No, I'm just saying.

Ms O'CONNOR - clearly, you will be limited in what you can do because the Auditor-General himself has found that the EPA hasn't been able to be effective in the management of landfills.

Ms MURDOCH - So, to be honest, I think it's fair to say there was a lot in that report that was not EPA responsibility - and they were local governments landfills.

Ms O'CONNOR - That's right.

Ms MURDOCH - What we've identified internally as well is better policies and documents around landfill management and working with councils around that as well. At the moment, this year, we're focusing on updating - because that's been a lot of years - is the quarry code of practice, we've got that underway to be upgraded. We've outlined the landfill sustainability guide as our next one to do that in as well, so program of work around this, and that's why that's 2026-27. I'd anticipate that in doing that work we'll engage with councils in, we'll have these discussions around roles, responsibilities, what are the data systems that need to be in place. We have had an internal process that has mapped what we could, which - TASRAM?

Ms ONG - Yes.

Ms MURDOCH - Yes, where landfills were, we'd be looking to get that up - we've just got to talk to landowners because, you know, landfill on their land - go through some privacy matters and get that up on the list as well. So, things that we can do in that space, we are doing.

Ms O'CONNOR - So, if we check back with the EPA when we have the pleasure of your company again -

Ms MURDOCH - Yes, next year.

Ms O'CONNOR - At the next Estimates.

Ms MURDOCH - I would hope to say I've got the sustainability guide underway and that we've figured out the privacy matters around TASRAM and what we can put up on the list at least. Yes.

CHAIR - Anything else?

Ms O'CONNOR - No, not in the short seconds we have.

CHAIR - I'm just giving you the chance. Okay, well, is there anything you want to share with the committee before we wrap up? I don't think we've taken anything on notice was there?

Ms MURDOCH - Just those questions around the technology in regards to contaminants and what Cassy wanted as well, so that full question.

Ms O'CONNOR - Yeah, I think that had been written down, so

Ms MURDOCH - Thank you.

CHAIR - Thank you for your time today. Appreciate it.

Ms MURDOCH - Thank you.

The committee suspended from 6.29 p.m.

Environment

CHAIR - Thank you, minister. Welcome back. We're into the Environment portfolio and responsibilities under that. I'll invite you to introduce the members of the team at the table and I understand you didn't wish to make an opening comment, that's fine. We'll then launch into questions.

Mr ABETZ - Thank you, Chair. To my immediate right is Jason Jacobi, the secretary of the department. To his right is Louise Wilson, Deputy Secretary Environment, Heritage and Land. To my left is Vanessa Pinto, Deputy Secretary ReCFIT and Resources, and to her left is Dr Sarah Russell, Director of Climate Change.

Output Group 7 - Environment

7.1 Environmental Management

CHAIR - You are taking questions on 7.1. We have talked to the EPA about that, or not. I'm just clarifying.

Ms O'CONNOR - Not quite. I think not quite on 7.1.

CHAIR - Not quite?

Ms O'CONNOR - I don't think we addressed, no.

CHAIR - Just to be clear where your responsibilities as minister sit, we have had the EPA, as you know, and the environmental management and environmental, sorry, regulation assessment, but we're going to environmental management now. Yes, 7.1.

Mr ABETZ - That's within the system.

CHAIR - Yes. So I'll go to Clare.

Ms GLADE-WRIGHT - Minister, I realise you've only been the minister for, is it four hours now?

Mr ABETZ - Yes, something like that.

CHAIR - We're getting close to five.

Ms GLADE-WRIGHT - Getting close to five. Well, I was just wondering, are you aware of the award-winning Derwent Estuary Program?

Mr ABETZ - Look I have been aware of the Derwent Estuary Program, which has gone for some time. I'm not sure of the exact history of it.

Ms LOVELL - It's nearly 30 years, isn't it?

Mr ABETZ - But, if I recall, in a former manifestation, I had representations from them as well and the stellar work they do.

Ms GLADE-WRIGHT - So, I just want to find out then, please, the annual contribution.

Mr JACOBI - We have a really good relationship with the Derwent Estuary Program. In fact, Louise and I were speaking with Ursula only a few weeks ago, and we regularly keep in contact with her. In 2025-26 the Tasmanian Government provided \$168,854 in funding to the Derwent Estuary Program along with approximately \$91,000 of in-kind testing support. Does that answer your question?

Ms GLADE-WRIGHT - Yes. So, there was a little bit of more, might be having its funding cut.

Mr JACOBI - The funding was always allocated. The forward funding is always allocated - core funding from previous budgets.

Ms GLADE-WRIGHT - Okay. So, moving forward, I mean I haven't been able to find it in the budget papers. Could you direct me maybe to where it comes under?

Ms WILSON - Because this funding is in the forward Estimates, it's recurrent. That's why you don't see it, because it's a previous allocation. It's not a new deliverable. It doesn't stand out anywhere. It's a bit like previously we talked about the National Trust funding. It's already in there. That's why you don't see it.

Ms GLADE-WRIGHT - Okay. But you can assure me that moving forward it will continue to.

Mr JACOBI - At this stage the funding is ongoing.

Ms GLADE-WRIGHT - Okay.

Ms THOMAS - Can I just follow up on that please, so is it in 7.1, in that line item?

Ms WILSON - I do believe so.

CHAIR - Can we possibly get a breakdown of that line item to show us what's actually in it because it's, you know, it's one universal number.

Ms O'CONNOR - It's a universal shrinking number.

Mr ABETZ - I am assuming, does that need to be taken on notice? Do we have a chart or something that tells us how it's broken up?

Ms WILSON – Through you, minister. At a high level, environmental management is one of the outputs that stayed with the department when the EPA split. So, what is in there and what we'll talk about today is the sort of the EMPCA legislation that's allocated to this agency even though EPA deliver and regulate through EMPCA, and also waste and resource recovery. That stayed with us when the EPA split as well. It was the development of the act and administration of the act, and I believe the TIA and the Derwent Estuary Program was with EPA historically and that stayed with us too. So, that's what this output is. I hope that's helpful. It can be a little bit confusing.

Ms GLADE-WRIGHT - Okay. So, the Derwent Estuary Program provide the incredible Beach Watch, which has been really beneficial for the residents in Blackmans Bay, and I've just come out of a campaign period and I'm really aware that there are a lot of communities down the Channel who are really concerned about ageing septic systems and old sewerage being plumbed straight into the channel, and I was wondering if there's been any consideration to extending the scope of the Derwent Estuary Program to include the Channel.

Mr ABETZ - Well one thing I can report on is that on Friday morning I was down at Tinderbox, where - the name of the company escapes me - but they fully privately funded converting, I think, Class B water sewerage treatment of water that would have been discharged into, I think, Class A - I might have the categories wrong - but putting it in a pipe, under the estuary or channel, to Arm End, to South Arm for use for irrigation, and other purposes. So, that I must say, is an exciting private development, although it got a grant of - and I forget the amount of money, but that said, there is a lot of ageing infrastructure, and TasWater has the responsibility for that.

Some of us, including myself, did say to the economic regulator that their bid for increased fees was somewhat high, and their bid was not accepted in full, and as a result, they would say, that their work program to upgrade a whole lot of deficient sewage systems, and water systems, will take longer than they would have otherwise have liked, so that's, if you like, high-level commentary, I don't know if you, secretary -

Ms GLADE-WRIGHT - Maybe in the interim we could offer the residents a Beach Watch program in the channel, just so they're aware of, you know, when the water quality becomes really bad, that they can be warned.

Mr JACOBI - Through you, minister, we don't actually determine the Beach Watch program, that's a -

Ms GLADE-WRIGHT - No, the DEP.

Mr JACOBI - DEP does that, we're just a partner along with all the multiple other partners, including councils, but would certainly be a matter for DEP to consider.

Ms GLADE-WRIGHT - But if we wanted to extend the DEP into the channel, then wouldn't that be a decision for you?

Mr JACOBI - It would be EPA monitoring as well, maybe.

Ms WILSON - Just around responsibilities, through you minister, the Derwent Estuary Program actually has a number of partners, not just state government, industry and local government. So, any extension to the work that the DEP does in this geographical scope, I think would be a matter for the DEP board and with its partners - and all the partners would need to make contributions. So, I think that it's a very much a partnership model, exactly - not exactly, very similar to the Tamar Estuary and Esk Rivers program as well, in the north.

Ms GLADE-WRIGHT - So minister, any appetite for that?

Mr ABETZ - Look, always appetite. I've got to be careful because it's in my cabbage patch as a resident of Blackmans Bay. So I declare that, but -

Ms GLADE-WRIGHT - It's a great program, isn't it? The residents get warned when there's been a spike in nutrient.

Mr ABETZ - Yes, and that happens, from time to time, for whatever reasons, and often there's speculation as to what the actual reason is. Some even claim it's a whole host of seagulls, especially, what is it, at the southern end of Blackmans Bay Beach, and whether it is or isn't, I don't know. The important thing is that people be notified when it's not a good time to swim at a particular beach.

Ms GLADE-WRIGHT - So minister, who's the government's representative that attends the DEP meetings?

Mr ABETZ - Look, yes, we will take that on notice.

Ms WILSON - Through you, minister, I just wasn't sure, but because a lot of the focus on the TIA and the DEP program is on water quality, our colleagues in the primary industry and water division are our representatives on the partnership group. It doesn't - even though the funding sits in this output in my division, but we all - we have input, and also the Analytical Services Tasmania does the in-kind testing, the water quality testing. So, that's how it cuts across different areas of the agency.

Ms GLADE-WRIGHT - So, I don't know what my question is, but I want to find out how we can get this into the board meeting of the DEP so they can consider expanding their scope.

Mr JACOBI - Through you, minister, I would be happy for us to raise it on your behalf at the next the next meeting with DEP.

Ms GLADE-WRIGHT - That would be great: thank you. My next question was around the NRM bodies, is this the right place to ask about that?

CHAIR - I believe it is.

Ms GLADE-WRIGHT - Yes?

Mr JACOBI - NRM - primary industries and water.

CHAIR - It's primary industries. Wrong minister.

Ms GLADE-WRIGHT - NRM, like NRM South and NRM North?

Ms WILSON - Natural Values Management.

Ms GLADE-WRIGHT - Not this bit?

Mr ABETZ - Yes, that's in primary - no.

CHAIR - Primary industries, yes.

Ms GLADE-WRIGHT - Okay. All right.

Mr ABETZ - One could assume they would be, but machinery of government is a wonderful thing.

Ms GLADE-WRIGHT - Yes, I am learning.

CHAIR - Is that fixing it: is the machinery-of-government changes fixing that?

Mr ABETZ - I don't think that one.

Mr JACOBI - With your indulgence, minister -

Mr ABETZ - Yes, yes.

Mr JACOBI - I've listened to the question. I will do my best to see if I can answer it, having just come from Primary Industries and Water.

Mr ABETZ - Excellent, good, good, excellent.

Ms GLADE-WRIGHT - That would be great, thank you. Well, I understand they're facing a slight reduction in their funding, so I just wanted to know about that.

Mr JACOBI - No, it's not the case.

Ms GLADE-WRIGHT - That's not the case?

Mr JACOBI - No. So, through you, minister, all the NRMs have been allocated their core funding. There has been a reduction since previous years, but they have all been allocated their core funding through this Budget.

Ms WILSON - So, through you? Is that okay?

Mr JACOBI - Are you going to answer it now?

Ms WILSON - Yeah, there's additional - so, they've got their recurrent core funding and they each receive - I'm just going to check on the number because I don't have the right folder here because it's in the other one.

Mr JACOBI - So, they've each received \$435,000, I believe, across - each NRM has received \$435,000 this financial year.

Ms GLADE-WRIGHT - Okay. And that would be where in the Budget?

Ms WILSON - That's a deliverable in the budget papers and under the PIW Natural Values Management output.

CHAIR - I did see that. I was just looking at it.

Ms WILSON - I've got the numbers here now, because it was in a different folder.

CHAIR - Output group 7 Environment, under Primary Industries and Water.

Ms WILSON - So, through you, minister, the Tasmanian government has made a commitment to NRMs and is providing an additional 579,000 each year over the next four years, I think, over the forward Estimates. This is on top of core funding of 750,000 per annum, so that's across the three bodies. This means each of the three regional NRMs will receive a total of \$443,000 in 2026-27 and this funding is in the forward Estimates until 2029-30.

Ms GLADE-WRIGHT - Great. Another amazing group of organisations doing amazing work.

Ms WILSON - Yes, we work closely with them.

Mr JACOBI - If I could, I was just going to add that through some of our Threatened Species Fund, the NRMs have been allocated funding for particular projects.

Ms WILSON - Yes.

Ms GLADE-WRIGHT - On top of that?

Mr JACOBI - On top of that.

CHAIR - Well, you can talk about threatened species if you like.

Ms GLADE-WRIGHT - Fantastic. Thank you.

Ms O'CONNOR - Thank you, Chair. First of all, minister, congratulations on your elevation to the most important portfolio in government.

CHAIR - For however long it lasts.

Ms O'CONNOR - I'm sure you will relish however many days you have in this portfolio.

Ms THOMAS - I reckon you will love it so much, you will want to continue.

Mr ABETZ - It's not up to me, member for Elwick.

Ms O'CONNOR - At one level, I hope so, given your tenacity and what I sense is an evolution of your outlook over your journey in politics. I hope you don't take that as a slur.

Mr ABETZ - What's the definition of patronising?

Ms O'CONNOR - No, it's matronising, if it comes from a woman. I will just go back to an answer that you gave earlier to the member for Huon about moving sewage outfall onto lands, and sometimes agricultural lands. I'm not sure if you're aware, minister, but there is an issue with that, because untreated sewage contains polychlorinated biphenyls, which are PCBs, and they're a forever chemical, and in some parts of the United States where there's been long-term application of effluent onto agricultural lands, those agricultural lands become contaminated and unusable, because PCBs are called 'forever chemicals'. I wonder if the environment division of NRE is having a look at PCBs within effluent and how you might make that effluent safer for application onto productive lands.

Mr ABETZ - Look, there were environmental people from the department there when I was there on Friday, and I know they have very sophisticated systems to make the water acceptable, but as for the detail of that, and whether this particular plant deals with those matters, I don't know, but we could take that on notice.

Mr JACOBI - Through you, minister, it's managed by the EPA. We have not, that I'm aware of, turned our minds specifically to that issue.

Ms O'CONNOR - Okay. So, the EPA has a regulatory role under EMPCA, but the Environment department must take an interest, of course, in what materials are being released into the environment and whether or not there's a public health consequence for that?

Mr JACOBI - Through you, minister, are you talking specifically about sewage effluent and septic effluent?

Ms O'CONNOR - Yes, I'm talking specifically about PCBs, which are confirmed to be found in human effluent because they're used in a whole range of shampoos and other cosmetic

products. They end up in effluent. In the United States there's a huge problem because counties that have been applying effluent to land for decades now are finding that land becomes unusable to agriculture because PCBs persist in the environment. Is that something that NRE is aware of or concerned about?

Mr JACOBI - Through you, minister, I certainly agree we're concerned about it, but it's not a matter that we have dealt with in the past I'm aware of. And regulated by the EPA.

Ms O'CONNOR - Is that something that is only the EPA's responsibility?

Mr JACOBI - As far as I'm aware, yes.

Ms O'CONNOR - The dispersal or policy around dispersal of effluent into the environment is only administered by the EPA?

Mr JACOBI - I'd have to take that on notice.

Ms O'CONNOR - Are you happy to take that on notice?

Mr JACOBI - Yes.

Ms O'CONNOR - Okay. Have you read the reports or the research about the residual effects of PCB in the environment.

Mr JACOBI - I haven't personally read them, no.

Ms O'CONNOR - Okay, that's a bit of a worry for the secretary of NRE, but anyway, moving on.

Mr ABETZ - Oh, come on. There are a lot of research papers in a whole range of areas. I think that's a bit unfair. But what I think we could do potentially, is take the question on notice if the secretary is willing to flick-pass it to the EPA for their comment.

Ms O'CONNOR - Okay. Thank you. I will come back to you on that at another time. Is there any update on the government's response to the State of the Environment Report, noting that the government missed two statutory deadlines for the production of the State of the Environment Report and that the response to the recommendations of the State of the Environment Report to date have been non-committal and, to some extent, a bit apathetic.

Mr ABETZ - I will try and I'm sure others may be able to assist, but I do have a brief in front of me that tells me that the government committed to providing a response by the end of 2024. It's asserted that was done and that the response to the report identified four key priorities based on report recommendations:

- Develop a long-term vision and strategy for Tasmania's environment;
- Develop an environmental data strategy;
- Focus on securing covenants and other effective conservation measures through the Private Land Conservation Program to deliver greater protection for underrepresented ecosystems; and

- Improve native vegetation mapping and information.

This is in a manner that is carefully planned, mindful of the current fiscal constraints. We are progressing, scoping, and planning this priority work to ensure that resources are used efficiently, opportunities for partnering are identified, and outcomes are delivered effectively.

Ms O'CONNOR - Thank you, minister. The long-delayed State of the Environment Report noted a decline in ecosystem health across a range of indicators and made a number of recommendations to government about how policy might be changed or improved in order to better protect the environment. Have any areas of government policy changed or will be changed in response to the recommendations of the State of the Environment Report, and if so, what are they?

Ms WILSON - Through you, minister, a lot of the recommendations in the State of the Environment Report cut across a range of portfolios in different areas even just within NRE Tas, as well as other agencies, and we can provide this as a follow up, you may have seen it last Estimates and we've updated it. There is a long list of activities and things, programs and services that are being provided that contribute to the state of Tasmania's environment. The government's response to the State of Environment Report focused on four of the recommendations which is where the new and focused activity is that NRE Tas is progressing. Those four areas, and I can talk to some of the thinking around those and some of the actions that are happening, but I think the question you are asking around changes in policy across all of those policy areas and portfolios is probably a little big and broad to answer at this table.

Ms O'CONNOR - Okay, thank you, Louise. If we just narrow into the recommendations that were specific to NRE, has there been any move to update government policy or legislation in response to State of the Environment Report recommendation?

Ms WILSON - Through you minister, probably one of my really big priorities in my division is around the Private Land Conservation Program. What that was part of, I've forgotten the recommendation, I'm sorry, but it was a part of a recommendation, and it is what we're focusing on. We're building and strengthening the capacity of the team. Now, I will qualify this with we have received Commonwealth funding for this program, it's historically received funding and we've received a recent funding boost to that.

We are building the capacity of the team. We are committing to deliver the significant number of additional hectares we are required to develop covenant under that funding agreement. Importantly, what we want to do is, and what we are doing is contemporising the program. That will involve reviewing and adjusting policy settings and we want to look at the legislative settings, because that part of the *Nature Conservation Act* is really dated and so there's lots of improvement there.

We're also looking at improving our processes so we can actually deliver more convenience more quickly because there's a strong demand for these, not just for purely for conservation purposes on private land, but also for offset purposes.

Ms O'CONNOR - Thank you, Ms Wilson, and this is no slight on you, but private land conservation was a very small element of the State of the Environment Report. There were multiple recommendations, and as you know, they were across agencies but many of them

related to areas of NRE's particular responsibility. Minister, can you indicate how many State of the Environment Report recommendations government has accepted and will implement?

Mr ABETZ - That I can't, and I will need to take that on notice unless somebody can -

Ms WILSON - We can provide that. There was an initial response, minister, you just don't have it.

Mr ABETZ - We will just take that on notice.

CHAIR - Just to clarify the question then, Cassy, just quickly, the question?

Ms O'CONNOR - The question is: how many State of the Environment Report recommendations has the government accepted and will implement?

Mr ABETZ - Alright, we will take it on notice.

Ms O'CONNOR - The State of the Environment Report was tabled in state parliament in September of 2024 by the former minister for Environment, who misled this committee in November last year, but perhaps the recommendation with the greatest potential impact was recommendation 4 that proposed the government undertake a review of all existing legislated sustainable development objectives within the resource management and planning system and review quote:

All legislation that is informed by the existing RMPS objectives to ensure that legislation establishes contemporary and effective decision-making.

The recommendation also stated that if such a review is undertaken, its recommended priority is given to the *Land Use Planning and Approvals Act of 1993*, *State Policies and Projects Act of 1993* and *Environmental Management and Pollution Control Act 1994*. The state government's response to that recommendation by the former minister who misled this committee was that the recommendation was supported and that quote:

The Tasmanian government is undertaking a preliminary scoping and feasibility assessment of priority environmental legislative reform.

How's that scoping exercise going?

Mr ABETZ - As I understand it, there has been some information placed on the web on the department website, but we will take that on notice.

Ms O'CONNOR - Oh, there's something on the website that responds to a major recommendation for legislative review in order to better protect the environment?

Mr ABETZ - No, the government's response, which I think covers that.

CHAIR - In response to -

Ms O'CONNOR - Yes, but I'm looking for an update. How is the scoping and feasibility assessment of priority environmental legislative reforms going?

Ms WILSON - Through you, minister. There has been some thinking around what a review of the *Environmental Management and Pollution Control Act* (EMPCA) and - now, you're just testing me on that exact recommendation because we've been focusing on the four priority areas that the government announced. I don't believe there was an intention to review the whole RMPS; there's multiple pieces of legislation. But we were looking at - or potentially whether - what we could do with EMPCA and some other pieces of legislation that needed to be looked at.

Now, with the national reforms to the *EPBC Act*, the EMPCA review will be - it's pre-emptive to unpack EMPCA right now, but we are looking at some measures to improve assessments and approvals. But not review that, because when the EPBC reforms, particularly all the national standards are in place and we need to negotiate a new bilateral for assessment and approvals under that act, then we will almost certainly need to actually review EMPCA and make quite a few changes.

I think a full legislative review - I might just have to go back to that recommendation - but we are looking at, as I said, *Nature Conservation Act*, some parts of that act and updating those as well as EMCA down the track, but not straight away - not at the moment.

Ms O'CONNOR - Thank you, Ms Wilson. I really feel for you at the table tonight, because you have a minister who's only been installed for a few hours, but also, you're dealing with a government that hasn't committed to any substantive recommendations in the State of the Environment Report. The government selected a few focus areas that required minimal shift and has made no commitment to a key recommendation of the State of the Environment Report, which was to make sure that the legislation that guides environmental management in this state is contemporary and fit for purpose. This question is not to you, Ms Wilson. I don't want to put you in this position again. This question is to the Treasurer and part-time Minister for the Environment.

CHAIR - No, he is the Minister for Environment. Let's be respectful.

Ms O'CONNOR - Sorry, not part-time. You will definitely be the Minister for the Environment until Friday.

Mr ABETZ - That is determined by somebody other than myself.

Ms O'CONNOR - I'm just talking about the facts. You will definitely be the minister -

CHAIR - Let's just focus on the question without the slurs.

Ms O'CONNOR - No, I don't believe that was a slur. I believe that was a statement of fact and I didn't intend to -

CHAIR - He is the Minister for Environment. He was sworn in today.

Ms O'CONNOR - He is the Minister for the Environment. Can the Minister for the Environment detail to the committee what the government's response is to a key recommendation of the State of the Environment Report, which is that these three statutes, which have such an effect on environmental management in Tasmania, be reviewed so that they're effective.

Mr ABETZ - I will - the government has concentrated on those four items that I read out earlier and anything else I'm happy to take on notice.

Ms O'CONNOR - Okay, perhaps I could ask whether or not the response to the State of the Environment Report has been discussed at a high ministerial level? I'm not asking you to detail Cabinet discussions, but it's a very significant piece of work and a high-quality piece of work that's been undertaken and it deserves a comprehensive response. Has there been any high-level discussion about the recommendations in the State of the Environment Report and how they might be responded to rather than cherry-picking easy bits for low-hanging fruit.

Mr ABETZ - There's a whole lot of descriptors in there that I won't engage on.

Ms O'CONNOR - I didn't think there was that many actually that time.

CHAIR - Let's restate the question so the minister can focus on the question. So, the question is?

Ms O'CONNOR - Well, the question was pretty clear. I'm not sure I should have to waste the committee's time to restate it.

CHAIR - I think it would be helpful if you did. What is the question you're asking?

Ms O'CONNOR - I will just restate a really straight-forward question I just asked: was the State of the Environment Report discussed at a high ministerial level and was a decision made at that high ministerial level to effectively ignore most of the recommendations in the State of the Environment Report and cherry pick for low-hanging fruit areas that include, for example, covenants.

CHAIR - How about you start with one question at a time?

Ms O'CONNOR - No, thanks Chair. I think it was a pretty straightforward question. I've been made to repeat a question I thought was pretty clear. Has the State of the Environment Report been discussed at a high level by government and has any decision been made to accept the report for the high-quality of work that it is and implement its recommendations?

Mr ABETZ - The government has responded and that was an all-of-government response and the four priority areas I've already outlined, which indicate that the government did exercise its collective mind in relation to the State of the Environment Report and determined four priority areas. Often in life you cannot deal with everything immediately. You have to choose some priorities - the government has chosen four priority areas. You can describe that as 'cherry picking.'

Ms O'CONNOR - Well, it is.

Mr ABETZ - Or use other language. The government in response to your question would be saying, yes, it was considered. That's how the government response came to be. Part of the government response is the concentration on those four priority areas outlined previously.

Ms O'CONNOR - The corollary of that is that government decided to not accept the majority of the recommendations in the State of the Environment Report, including the review of the *Land Use Planning and Approvals Act*, the *State Policies and Projects Act* and EMCA.

Mr ABETZ - Just because you prioritise something, that does not, as of necessity, mean that you reject other things. Often you cannot do everything you would necessarily want to do. A dint of time, dint of resource, whatever, and the government has made its priorities clear.

Ms O'CONNOR - Okay, my final question, and I will pass over to my colleague, Ms Thomas, shortly, should the Chair wish for that to be the case. Your predecessor in the role, who's lost a job for misleading this committee, committed to the Tasmanian government undertaking a preliminary scoping and feasibility assessment of priority environmental legislative reforms. Where is that process?

Mr ABETZ - I will have to take that on notice.

Ms O'CONNOR - Is it possible for one of your officers to answer that? Well, the previous minister said the Tasmanian government is undertaking a preliminary scoping and feasibility assessment of priority environmental legislative reforms. What's happening with that scoping exercise? I mean, the question is, has the government walked away from the commitment made by the previous Environment minister to undertake a preliminary scoping and feasibility assessment of priority environmental legislative reforms.

Ms WILSON - Through you, minister, I'm not 100 per cent sure what the former minister was referring to there, but I would -

Ms O'CONNOR - This was in December 2024, a public statement.

Ms WILSON - Yes, so around that time, I'll go back to my previous statement or words around we have been looking very closely at a full review of EMCA, but there have also been some amendments when the EPA split, and some improvements. And I guess we were looking at the feasibility of doing a full review or doing some minor amendments, some further short-term ones and then I guess the feasibility side of that is that very quickly we knew that the federal government was progressing EMCA reforms. We didn't realise they're going to be this quick, but we knew they were coming and that we would need legislative change, so that was a priority that the former minister had was on EMCA. There were lots of comments around, for example, issues, industry had issues with EMCA. So instead of progressing those that full review and legislative reform to EMCA, what we have been doing is working with industry to unpack what they're saying the issues are with assessment and approvals and the difficulties of EMCA and working through what the solutions might be that are non-statutory.

Ms O'CONNOR - Okay, so could I just have a final follow-up question on that and Ms Wilson I'd prefer it for you if you didn't have to answer this. What I heard from that answer is that the government will be guided by industry and industry only, in terms of its response to the recommendation of the State of the Environment Report. That we have a comprehensive review of those key statutes that guide land management decisions, how wastes and other issues are dealt with. The former minister didn't just say that because she felt like it, the former minister stated that in December 2024 on behalf of the government and told Tasmanians that there'd be a scoping exercise and a review undertaken, the preliminary scoping and feasibility assessment of priority environmental legislative reforms. But, what I've just heard from

Ms Wilson's answer is that industry will direct government on how it responds to that recommendation. Is that correct, minister?

Mr ABETZ - Look, at the end of the day, the government determines its policy positions.

Ms O'CONNOR - But, at the end of the day, the government should also be open to listening to experts, to listening to the Tasmanian Planning Commission, which undertook the work on the State of the Environment Report and that work was comprehensive because it was widely consulted. Government shouldn't just be making decisions about the environment in a vacuum, should it? It should be guided by expert advice and what I'm hearing here today, sadly, is that the government is not committed to making sure our land-use and environmental management legislation is contemporary and fit for purpose.

Mr ABETZ - Well you've just made a statement telling us what you believe you have heard and people can read the *Hansard* and make up their own determinations.

Ms O'CONNOR - Well disabuse me of the notion.

Mr ABETZ - Look, the government is open and listens to -

Ms O'CONNOR - Industry.

Mr ABETZ - Yes, to industry.

Ms O'CONNOR - And only industry apparently on this.

Mr ABETZ - No, no, no. We listen to everybody and we then make a determination based on what we believe is within the best interests of Tasmania.

Ms O'CONNOR - Well, I'm not sure you understand what the best interests of Tasmania are, if you're not prepared -

Mr ABETZ - Well it would be fair to say that you and I have a fundamental disagreement.

Ms O'CONNOR - if you're not prepared, if you're not prepared to listen to the State of the Environment Report.

Mr ABETZ - We have a fundamental disagreement -

Ms O'CONNOR - Isn't that sad?

Mr ABETZ - in relation to what the best interests of Tasmania is and I'm sure that from time to time you might reflect that we aren't all wrong when it comes to the government in pursuing our objectives and seeking to enhance the wellbeing of our fellow Tasmanians.

Ms O'CONNOR - Do you believe it is in the best interests of Tasmanians and this island that LUPA, EMPCA, the *State Policies and Projects Act*, none of which have been comprehensively reviewed and updated since their inception, are made fit for purpose?

Mr ABETZ - Well, look, you are making an assertion that they're not fit for purpose.

Ms O'CONNOR - Well, no, that's what the State of the Environment Report said.

Mr ABETZ - The question, whether they can be updated, is another matter. I dare say you would prefer the existing legislation, irrespective of how deficient you might consider it to be, that you would prefer that legislation to be in existence rather than not having any of that legislation on the statute.

Ms O'CONNOR - That's just a ridiculous point. What I would prefer -

Mr ABETZ - No, no, no -

Ms O'CONNOR - and I think what most Tasmanians would prefer, is that you had a government that accepted recommendations from experts in the Planning Commission on the state of the environment. I think that's what most Tasmanians would prefer.

Mr ABETZ - See, logical thinking requires you to also consider the counterfactual as to what you are asserting and when I put to you what the counterfactual was, what you were asserting -

Ms O'CONNOR - What is it? Counterfactual is that we don't have any environmental legislation or regulation.

Mr ABETZ - That's right and therefore -

Ms O'CONNOR - That's a scenario that's ridiculous.

Mr ABETZ - Right.

Ms O'CONNOR - Yeah, I'm glad you agree.

Mr ABETZ - And, therefore, you support the legislation as is rather than -

Ms O'CONNOR - No.

Mr ABETZ - If I can finish a sentence.

Ms O'CONNOR - We support it being contemporary.

CHAIR - Let the minister finish.

Ms O'CONNOR - Sure.

Mr ABETZ - That you would prefer the legislation as is, compared to no legislation, so our only -

Ms O'CONNOR - Ridiculous policy.

Mr ABETZ - so our only topic of discussion is, can we make it even better, and when we have those sort of discussions, that is, where you can have, if I might say, a lower temperature discussion and consideration being given to matters as you have outlined. But look, as a government, always open to suggestions and considerations and priorities have to be determined from time to time and the government has made its full priority areas from that report well and truly known.

CHAIR - Minister, are you averse to reviewing legislation on a regular basis wherever it sits?

Mr ABETZ - No, no, no, not at all.

CHAIR - So, you say by extension then, legislation like EMPCA and other related environment legislation that hasn't had a comprehensive review over recent years should be reviewed, regularly?

Mr ABETZ - Look, we have, if I recall correctly, implemented a policy that regulations are reviewed every 10 years.

CHAIR - That wasn't a policy, that was a required part many years ago, well before my time.

Mr ABETZ - Right.

CHAIR - Yeah.

Mr ABETZ - Every 10 years.

CHAIR - Every 10 years they're automatically repealed to tidy up the mess.

Mr ABETZ - Yep, and it seems to me that that is a good practice in relation to regulation, and in relation to legislation a similar practice of considering legislation does sound like a good thing to do. But, we have many, many statutes on the book and to try to review all of them would be a mammoth, mammoth task.

CHAIR - But surely, there should be a program of legislative review?

Mr ABETZ - Look, as a hypothetical I couldn't argue with that proposition, but allocating the resources and then determining which ones ought be up for review - I know our Criminal Code, for example, gets a fairly regular review and update, which is important, so there are those matters of government that are determined from time to time.

Ms THOMAS - Minister, do you know what proportion of the state Budget is spent on environmental management?

Mr ABETZ - Look, no I don't and it would be spread over a number of different portfolios. So, gathering that together - I don't know if anybody can assist me on that.

Ms THOMAS - That's okay, I just wondered if you knew and if that might be a worthwhile measure for the government to look at in the bigger picture of things in terms of

how we're actually looking at the priorities. As you say, it's all about priorities such as looking at what proportion of the state Budget goes towards this important area.

Mr ABETZ - Yeah, it's a question then - and that's where it becomes difficult - what do you categorise as environmental, environmental improvements? So, just for example, a water-treatment plant at Tinderbox that I spoke about earlier, is that a business initiative? It's a great economic enabler, but it's also a very good environmental outcome. So do you allocate the full amount to business economic enabling, or do you allocate it to the environment, or do you split it in half, or do you allocate, I think it was about a \$9 million grant they received for that quite substantial plant, \$9 million for business development and opportunities in South Arm, and \$9 million, and double count it? I'm not sure how you would necessarily go about all that, but that said if we had the resource, it would be a good exercise to undertake because there are lots of things that we do seeking to clean up our environment, be better stewards of the environment, which also have other benefits.

Ms THOMAS - Absolutely. Well, I'm glad you agree it might be a useful measure. I'm sure there's plenty of people, and all the people you have here supporting you would have ideas better than me, for sure, on what sort of things would quantify that sort of measure. But, just interested if there was any sort of measure, but clearly not at this point.

But what we can see from the Budget papers in line 7.1, is that the Budget drops from \$6.7 million in 2025-26 to \$4.88 million in 2026-27, and then down to \$1.13 million, which would be a very, very, very small 0.000 something per centage of the state Budget, I would imagine in 2029-30. It's a significant drop. What is the government going to stop doing to save \$3 million in environmental management, and what impact will this have on environmental management, and the environment?

Ms O'CONNOR - Good question.

Ms WILSON - Thank you, through you, minister. I'm just going to read this out, so I get the numbers right, and the timeframes, but also, I just want to go back to the scope of this particular output. It includes waste and resource recovery, it includes a small number of resources that stayed in this agency when the EPA split that's responsible for sort of the policy, pure policy function and that's it. But also there is some government investment prior to the waste resource recovery, and it also includes waste and resource recovery. Having said that-

Ms THOMAS - Which sits with NRE.

Ms WILSON - Yes, that's in my division, and the CEO of the waste and resource recovery board is here today, and we can bring her up to talk about details.

Ms THOMAS - Oh, okay.

Ms WILSON - I will read this out, you're not interested in the decrease between the original budget and the estimated outcome, I'm assuming?

Ms THOMAS - Yes, no that's the second question I have, so if you want to explain that now, that would be great.

Ms WILSON - Okay, I will read verbatim, it's probably the safest thing for me to do.

Ms THOMAS - The estimated outcomes \$3 million less than the budget appropriation.

Ms WILSON - We're looking at the revenue by appropriation.

So, the decrease of \$3.02 million between the 2025-26 original budget and 2025-26 estimated outcome is due to budget cash flow changes for the circular economy waste initiative.

I can explain what that is, if you would like?

Ms THOMAS - Yes, thank you.

Ms WILSON - So the Circular Economy Waste Initiative is government funding that was set aside largely prior to the *Waste and Resource Recovery Act* coming into place in 2022, and that act established the Landfill Levy. That Landfill Levy is fully hypothecated, and reinvestment into waste and resource recovery initiatives. The intention was for, once that levy is up and running, that would fund that work, but under the government and the minister at the time, set up funding to get that work started, and to fund a number of initiatives in the absence of the Landfill Levy revenue coming in. So, that's what that is.

Ms THOMAS - Right.

Ms WILSON - That was a budget cash flow change. What was predicted and budgeted to be spent and then what ended up being the estimated outcome. The budget movements between the financial years, the decrease in 2026-27 of \$1.82 million from the original budget largely reflects the funding profile of the circular economy waste initiative - and I will come back to this; I will just read it all out. The decrease in 2027-28 of \$3.68 million reflects the completion of the circular economy waste initiative. The 2026-27 Budget initiative, the marine environment Tasmania act, that's new money that is coming in and then it drops off, and the impact of operational efficiencies. The decrease in 2028-29 of \$93,000 largely reflects the impact of operational efficiencies, and 2029-30 is due to indexation. Once the circular economy waste initiatives are completed, then it's business as usual. Waste and resource recovery is then funded from the Landfill Levy revenue. Then this, in terms of what the government appropriation pays for in this space, is for then, the EMPCA (*Environmental Management and Pollution Control Act 1994*), a little bit of policy and EMPCA resource.

The circular economy waste initiative changes over time because the quite large grants for large infrastructure sorts of initiatives. As with any grants, but particularly large ones, cash flow changes over time because of milestone payments, sometimes delays. That's why that drops off. It is not a budget savings, as such, except for the percentages that we're allocating across the board. It is largely the circular economy waste initiative finishing and completing, as it should do, because the government shouldn't continue to fund those when the Landfill Levy is set up to fund it.

CHAIR - How much is the levy raising? Do we know?

Ms WILSON - Beg your pardon?

CHAIR - How much is the levy raising at the moment?

Ms WILSON - Gosh, I would have funding - sorry, information in somewhere. But just probably haven't got it handy because there's multiple bits to all of this budget output group.

CHAIR - There's not an actual headline figure of how much the levy's raised in the last-

Ms WILSON - Would you mind if I just asked the CEO and general manager to find that? Be quicker for someone back there to.

CHAIR - That's alright. We will move on and they can come back to it.

Ms WILSON - And potentially we could take it on notice, too, if we can't find it.

CHAIR - We will if you can't get it. That's fine.

Mr ABETZ - Let's take it on notice so it's on the record, and if we're able to provide the information during the evening we will.

Ms THOMAS - Thank you for that explanation, Ms Wilson. Was the budget in prior years, to your recollection, I know you might not have figures in front of you, but was it around that same level that it will be in 2027-28 prior to the circular economy waste initiative coming into play?

Ms WILSON - Through you, minister. My understanding is, and I would unqualify this answer because I don't have the figures, but based on principles that funding, once that drops off, it should be for the resources that stayed with us from the EPA. To my knowledge, there wasn't sort of any other operational funding. That should just be business as usual and the funding that creates the larger numbers in the next few years, that was initiative funding always meant to be and, of course, there will be factored in there some operational efficiencies because every area notionally will be contributing to that to a degree. As we said earlier, that might get tweaked as we do our plan.

Ms THOMAS - Thank you for that explanation. I appreciate it. I can go on to another topic if you like.

Ms WILSON - Oh, sorry, I do -

Ms THOMAS - You have an answer?

Ms WILSON - Through the minister, I do have revenue numbers in front of me. It is in a document - I will just make sure that it has been checked - if the document has been checked by finance, otherwise I will take it on notice. I will just go back to table - so, waste levy revenue in 2025-26 original budget was \$20.456 million. The estimated outcome is the same in 2025-26; in 2026-27, it increases to 30.793 million; in 2027-28, 31.42 million; in 2028-29, 32.207 million; and 2029-30 it goes down to 20.456 million.

CHAIR - Why is that? Why did it go down? I would have thought it would be pretty consistent.

Ms MACKEY - Through you, minister -

CHAIR - I have to introduce - you have to sit at the table, and if you could just introduce - or maybe she could introduce herself, if you're not that familiar, minister.

Ms MACKEY - Holly Mackey, the CEO of the Waste and Resource Recovery Board. The decrease in the outer years - and it's very hard to predict - levy revenue is predicted on tonnes to landfills, so ideally if we're doing our job correctly, we should see a decrease in tonnes to landfill and therefore a decrease in levy revenue, although we don't have a crystal ball.

CHAIR - Oh, don't you? The Treasurer doesn't either.

Ms THOMAS - I'm glad you said that, because that was going to be my question: why does it keep going up? It's not a good sign, so thank you for that explanation.

CHAIR - Is there any other questions on environmental management?

Ms O'CONNOR - Just a quick one: The Auditor-General's report 1 of 2025-26 *Management of landfills in Tasmania*, notes that the *Environmental Management and Pollution Control Act 1994* is overdue for review, that it's no longer fit for purpose in addressing the complexity of contemporary environmental management, including landfill regulation. Given the Auditor-General's evidence-based concern about EMPCA, which, as I understand it, hasn't been reviewed properly for almost 30 years, has the government addressed its mind to the Auditor-General's report and the recommendation that EMPCA be overhauled and updated to ensure it's fit for purpose?

CHAIR - You want your secretary back.

Ms MACKEY - Through you, minister, well, it's essentially the same answer to the question that you've discussed before around EMPCA review and undertaking a review.

Ms WILSON - Through you, minister, reviewing EMPCA is a big job, and you want to do it once, and we are hearing that there are issues with EMPCA - some of them, the issues with EMPCA are not necessarily - people are saying are with EMPCA are not necessarily the legislation themselves, it's somehow - the assessment and approvals are done, but I think there is room for improvement with EMPCA, but if we're going to review it, we don't want to fiddle with it and we're going to review it, is really big job and we really - I guess we would wait until those EPBC reforms are understood. We are still - they're still rolling out the details of those, and just the work in monitoring those and trying to influence also where the Commonwealth is going with them, and then understanding where they're going to land, that's going to take some time, and it's a big job. So, we wanted to see how that - the national reforms play out, and then I think we'd look at okay, how does - what do we need to do with EMPCA now, and that would inform what the - I guess what government's position would be in relation to a full review or amendments to key elements of it.

Ms O'CONNOR - EMPCA itself hasn't been updated in nearly three decades. It's the same piece of legislation, fundamentally, as it was back in 1994. Has any preliminary scoping work been undertaken on a review?

Ms WILSON - Through you, minister, there are a number of amendments that my team has identified with EPA and also based on some other stakeholder feedback, some minor amendments that we have - some we've developed previously and others that we add to, and put in a register for when the time comes to make amendments or do a review, we will feed

that information into that, but I think it would be fair to say that a full scoping has not yet happened because of the timing issues and the other work that is going on.

Ms O'CONNOR - Would it be fair to say, through you, minister, Ms Wilson, that the amendments which have been put into that box that you described earlier have been driven by industry feedback and frustration with EMPCA and the requirements, outdated as they are, that it places on industry. Are they industry-driven amendments, potentially?

Ms WILSON - Through you, minister, and I might ask my GM if she's got any - GM of Environment, if she has any further advice on this, but my understanding is that the minor amendments, the sources, I guess, of advice and proposals have been regulators. So for example, the EPA, the former head of the EPA and the current head of the EPA. I don't believe, certainly work that we've been doing with industry that I've been - Jo and I have been doing more recently, and the EPA with industry have - that is not informing those minor amendments, because the work we're doing there is not about legislative change at the moment. We're saying a lot of the issues that you're talking about, we can actually address that through better guidance and guidelines and clearer processes, so through non-statutory means.

Ms O'CONNOR - So it would be fair to say, it's about streamlining approvals, isn't it -

Ms CRISP - Through you, minister -

Ms O'CONNOR - and speeding up approvals, rather than making EMPCA more robust?

Ms CRISP - Apologies.

CHAIR - Have you introduced our new people?

Ms CRISP - My name is Jo Crisp, and I'm the general manager of Environment. Some of you may recall that there were amendments that were made to EMPCA with the separation and clarification of the independent EPA being established, and so I'm going to scroll back into my memory, and I think it was 2021 and it also -

CHAIR - Something else was happening that year as well, if I recall: COVID.

Ms O'CONNOR - State election.

Ms CRISP - COVID, yes, and at that time also there was the ability to create environmental standards and technical standards - were inserted into EMPCA which has allowed us to create an environmental standard for marine finfish regulation, technical standards being created by the EPA as well, and it also clarified the director of the EPA's ability to be able to release data, so industry data that had been collected by the EPA, just making it really clear that they could release that as part of their role as the independent regulator. So EMPCA is definitely not perfect, and I think we all know that there are improvements that can be made to what was leading legislation at the time, but it's now 1999, I think, from recollection.

Ms O'CONNOR - It was 1994, I think.

Ms CRISP - Yes, 1994. So there are definitely improvements that can be made, but as the deputy secretary pointed out, there are such significant reforms being undertaken at a national level that have implications for the state that the state must take into consideration with our legislation, and may need to, through the environmental assessment process, actually change legislation to take account of, so that we can have bilateral assessments that the state is undertaking, rather than duplication.

Ms O'CONNOR - Massive worry, to be honest: but anyway, here we are.

Ms CRISP - So the environmental legislation really needs to await - and be done -

CHAIR - So what you're saying, I think, is you're waiting for EPBC act to be embedded, yes?

Ms CRISP - That's right, implemented.

CHAIR - And once that's done, then the minister, to you - and I know you probably won't be minister at the time, but anyway, but that's the time at which you do a full review of EMPCA; and is there a genuine intent that that will occur?

Mr ABETZ - Look, I would need to reflect on that. I can't give you an answer this evening.

CHAIR - You can't bind a future minister, can you.

Mr ABETZ - No.

CHAIR - But as Treasurer, you might have a view; you will probably still be Treasurer. I don't know: that's a bit of a presumption, isn't it?

Mr ABETZ - You never know you're luck in this game. It's day by day, Chair.

CHAIR - But that's the reality, that you're waiting for that work to be embedded so that you understand the implication for Tasmania.

Mr ABETZ - It makes sense. This was indicated by the deputy secretary. A review of EMPCA would be a mammoth piece of work, and before we embark on that, given what's being suggested in Canberra, it's best to have a full line of sight as to what that legislation may do for environmental regulation.

CHAIR - We probably need to move on.

Mr ABETZ - Can I quickly give a supplementary answer in relation to the question about the recommendations supported by the government on the state of the environment? Six of the recommendations were supported, three recommendations were supported in part, six recommendations were supported in principle, and one recommendation was noted. If my maths is correct, that deals with all 16 of the recommendations.

CHAIR - Thank you for the update. We will move on then to 7.2 Analytical Services.

Output Group 7 - Environment

7.2 Analytical Services

CHAIR - Do you have any questions there?

Ms GLADE-WRIGHT - It was not a great question: can you explain the operational efficiencies again?

CHAIR - Are you still going to deliver the same services? Level of service.

Ms THOMAS - In Analytical Services.

Ms WILSON - Through you, minister, if we just clarify the question, you didn't want me to talk through all of that?

Ms GLADE-WRIGHT - No, just for Analytical.

Ms WILSON - I will just repeat one of the points I made in previous sessions and that is that notionally, at this point until we have our budget sustainability plan finalised, every area has been allocated a sort of a notional operational efficiencies to their particular outputs. Analytical Services Tasmania (AST) is no different. It needs to contribute to the savings. I will just make the point though that AST does charge and keep revenue for some of its testing it does as part of its service for public health and EPA and others, but it does charge industry and other clients and bids for contracts, so it does have a revenue stream that allows it to manage and draw on as well. But final amounts of operational efficiencies haven't been landed and finalised yet.

CHAIR - Just on Clare's question there, there is a revenue stream, but obviously that doesn't cover the full operations. Under the descriptor of this portfolio and this output group, the decrease in Analytical Services reflects operational efficiency. The question I go back to is that you provide a lot of services to state government entities, et cetera. Is that going to be cut back? How are you going to continue to deliver the necessary services within the constrained budget?

Ms WILSON - Through you, minister. We can bring the manager of AST up here if you need to, but if you look at the performance measures, the target for 2025-26, for example, of jobs reported on time is 75 per cent. As of 31 March 2026, the percentage of jobs on time was actually over 80 per cent. This is an improvement of what was originally forecast and is largely as a result of AST's investment in equipment and increased capacity, increased oversight of large projects, and improvements to work processes. Furthermore, AST is expecting a reduction in the number of tests submitted during 2026-27, as reflected in the lower analyses-performed target for 2026-27.

CHAIR - Why? What sort of things are you not testing?

Ms WILSON - I think we might bring Damien to the table. This is quite a bespoke specialist area and Damien is very experienced has a very deep knowledge.

CHAIR - Maybe he's put in place a lean system. Have you got a lean system in the office?

Mr NORMAN - Damien Norman, Manager Analytical Services Tasmania, and yes, lean systems is one of the things we do tend to look at. Operational efficiencies includes keeping our equipment up to date and making sure that our equipment - I'll give you an example, actually. So, we have equipment that will test a certain number of samples and where we've got space and room and samples to go on that, we can buy equipment that can basically process more samples.

CHAIR - That's when you update your equipment, that's what you're saying?

Mr NORMAN - Yes. So, those kinds of simple efficiency gains. We also have efficiency gains on our workflows, so we're a very process-orientated organisation. That's great, it enables us to look at processes and find better ways to do those. And, where we have large projects, for example, making sure that we have proper oversight of those and that they're driving along well.

CHAIR - How many staff have you got in the branch?

Mr NORMAN - At the moment we've got about 53, I think, or 54 heads, not all full-time, but yeah, about that.

CHAIR - How many FTEs, do you know how many there are?

Mr NORMAN - I'd be guessing, but it's in the high 50s, I would suggest.

CHAIR - Is there expectation for staff reductions to achieve these savings?

Mr NORMAN - I should say, through you, minister, but -

Ms WILSON - Excuse me, so, through you, minister, the principles that I explained in the previous hearings around our budget sustainability plan apply.

CHAIR - That's right we've got to wait for this magic document.

Ms WILSON - I can talk you through those again, if - no.

CHAIR - This is why it needs to be made public you see because how's anyone going to know?

Ms WILSON - There are no FTE numbers landed on at the moment. As I said, Damien's area will be looking for efficiencies and to do things better and smarter, just like every other area and that will be subject to further work and analysis.

CHAIR - But, minister, if Damien's required to buy newer and shinier equipment to perhaps process double the number of tests, that doesn't come from nowhere. So, is there an adequate budget to do that, to increase those efficiencies? You've got to spend money to save money in that case.

Mr ABETZ - Look, that is often the case and I, in fact, outlined that in my budget speech that with some of the, say, long-term savings, you might have initial upfront costs, but those sort of matters are management decisions for the secretary of a department.

Mr NORMAN - Excuse me, through you, minister, the retained revenue from that external work, the majority of that goes towards those pieces of capital equipment.

CHAIR - You use your own source revenue to do that?

Mr NORMAN - We do, which is part of the model. So, that funds the capability that we then provide for the State Service and those external stakeholders.

CHAIR - Going to put your prices up?

Mr NORMAN - We do put our prices up regularly and prices will be going up by CPI.

Ms WILSON - Through you, minister, I'll just mention -

Mr ABETZ - I think the government overall has a review of all these charges and fees and that will be determined on a case-by-case basis for these sort of matters. Cost recovery is something we are looking at.

CHAIR - Well surely there would already be a cost recovery here for, you know, external -

Mr NORMAN - Through you, minister, yes, certainly.

Mr ABETZ - Good, good, well done.

CHAIR - One would have expected that at the very least.

Ms O'CONNOR - You're going to review royalties and licence fees, minister?

Mr ABETZ - Right 47.09 full-time equivalents, is that right, in March 2026?

Ms WILSON - Yes, as of March.

CHAIR - March this year?

Ms WILSON - Yes.

CHAIR - More? Anything else on Analytical Services? If not, we'll move to Cassy's favourite, threatened species.

Output Group 7 - Environment

7.4 Threatened Species

Ms O'CONNOR - Minister, NRE is yet to release any report of the results of the orange-bellied parrot tracking survey data from 2025, and we touched on this briefly earlier today. When will that report be released, and why the delay?

Mr JACOBI - Through you, minister, the environment team, threatened species team, have done some amazing follow-up work following the previous survey. I was presented with that information last week in it's draft form and the intention is to finalise that draft information, provide it to the minister and release it within the coming month.

Ms O'CONNOR - Thank you, Mr Jacobi. Are you stating at the table that the tracking survey data from last year was only presented to you last week?

Mr JACOBI - No, this is the new data that has been undertaken over the course of the last, I think, six to nine months, which has looked very closely at the tracking of a number of orange-bellied parrots along the west coast, which revealed some quite new, very interesting information that I think will be of great interest in terms of the further research work that needs to be done. The team will release that data imminently in a report.

Ms O'CONNOR - The team will release that data when?

Mr JACOBI - The team will release that data imminently in a report, it just finalised the report now for release.

Ms O'CONNOR - Okay. Are you able to indicate to the committee what that tracking survey data is telling us, in board terms?

Mr JACOBI - I think we could bring Rachael Alderman to the table to provide some broader indications. But it has -

CHAIR - It's as revolving door.

Mr JACOBI - This is very technically specialised area and, if we're going to talk about the nature of the findings, it would be better if Rachael did that.

CHAIR - Perhaps if I could ask you to introduce yourself when you sit down?

Dr ALDERMAN - Sure. Rachael Alderman, Director (Threatened Species and Biodiversity) in the environment business unit. In relation to what the orange-bellied parrot tracking data, so far we've had the interim report that was published last year and that was on the results of the 2024 tracking campaign - birds leaving for 2024. We've since then undertaken a whole new tracking campaign on the 2025 migratory season, so birds departing Melaleuca for 2025 up to their migratory grounds over winter.

The report that the secretary was referring to is consolidating both of those datasets, updating it all, analysing it in great detail. What's going to be coming out and made publicly available will be both a report that's describing the findings and the outcomes of that data, as

well as publishing the location estimates on our Natural Values Atlas and also linked to the LISTmap, so all of that will be available.

In terms of the findings from the second tracking season, I guess without giving away the punchline before the report is made publicly available, there's nothing in these outcomes that we haven't already sort of seen through the first report that was published, which is confirming what we already know about how birds migrate and broadly where they go, but we are learning some really interesting details about timing and nocturnal flight and some other characteristics that are really valuable.

Ms O'CONNOR - Thank you.

CHAIR - They fly in the nighttime, don't they?

Dr ALDERMAN - Yes.

Ms O'CONNOR - What is the tracking data telling us about numbers and the potential for survival of this critically endangered species?

Mr ABETZ - Wait for the report, I dare say, but reveal what you can.

Ms O'CONNOR - Well, I'm not sure that's reasonable. There's a report there that's with the agency -

Mr ABETZ - But it's draft only.

Ms O'CONNOR - and the committee should know in broad terms what it says.

Mr ABETZ - We just want to keep you in suspense.

Ms O'CONNOR - You're just being annoying. That's what you're doing.

CHAIR - I think it goes both ways on this actually.

Mr ABETZ - Nice to know I'm getting an affect.

CHAIR - Is there anything you can reveal?

Dr ALDERMAN - Absolutely. Through you, minister, I guess there's two elements to it. The tracking data itself, one tiny component of orange-bellied parrot program work, it's only two years, tiny numbers of birds in reality, so we're still dealing with really limited sample sizes. That's why it's - but this is really important work for us to be doing to understand where birds are going and what is causing the low numbers that we're seeing in the wild. So, it's a long-term game. Each time we do a new round of tracking, we learn something new, and it adds to our understanding.

The other big ongoing component of the program has been the monitoring and management into activities at Melaleuca. That's where we're getting the really detailed data about numbers of birds, their survival and their breeding successes, and the like. There's sort of two complementary pieces of work that are all building on our picture.

Ms O'CONNOR - Okay thank you, Rachel. Yes, and what is that work telling us about numbers and survival prospects, and if you reflect on what the most recent work both at Melaleuca and the tracking data is telling us, where is the bird, in terms of its survival prospects.

Dr ALDERMAN - I would say that we are still very much dealing with a bird on the edge. I'd say we have learned so much over the decades of work that we have been putting into this programme collectively, the royal 'we', there's lots of people that have been involved over the years, obviously. But each year we are seeing incremental successes, and we can't stop the actions that we are currently implementing, both in terms of our captive support, and the work we're doing on the ground at Melaleuca. But we're in it for the long haul, I suppose, one has to be for these kinds of projects. Each year we do continue to feel like we're getting a step closer.

Ms O'CONNOR - What a shame then, Rachel, that funding for the NRE's Orange-Bellied Parrot Migration and Tracking Program has been cut, and this is a question for the minister. Here we've heard about a species that is found nowhere else in the world, but in Tasmania and on the coast of Victoria, on the edge of survival, and the government you're a part of has cut funding for the scientific migration and tracking work. Do you think that's acceptable?

Mr ABETZ - I would have to know all the details in relation to it, to be able to offer a comment.

Ms O'CONNOR - I put to you a really a philosophical question, rather than -

CHAIR - \$50,000.

Ms THOMAS - Funding for the line goes up, and down, and down.

CHAIR - But you look on -

Ms O'CONNOR - Yes, but that's not for the Orange-Bellied Parrot Migration and Tracking Program.

Mr ABETZ - Core funding is still made available, I understand with the breeding program as well - that's Taroona, is it?

Mr JACOBI - That's at Five Mile.

Mr ABETZ - Yes.

Ms O'CONNOR - So how much state funding is allocated to Orange-bellied parrot research, and management? In this financial year -

CHAIR - We're looking for that; there's also \$50,000 in capital investment for that. Is that to buy their little backpack so you can track them?

Mr JACOBI - Through you, minister, Rachel can answer that.

Dr ALDERMAN - Through you minister, there was a discrete funding commitment made a few years previously, that did combine tracking work, but also some capital investment to improve the captive facilities we have out at Five Mile. That finite funding has ceased, or has expired, those two years of the funding. But being an adaptive programme, we're going to continue to work on the areas that are yielding the greatest output for this species. The tracking work is incredibly important, and we make choices about where and how we allocate our time in the broader program. The broader programme consists of a whole range of activities. We have actually deployed another round of transmitters on, this last year's, on the 2026 migration.

CHAIR - It's their little backpack's, Cassy.

Ms O'CONNOR - I wish I could be humoured by anything to do with the fate of this bird, but I can't be. Minister, we talked earlier and in fact it was with your colleague, Mr Duigan, in the Parks portfolio, I think. Now we know that the state, and I haven't had an answer to the question about how much funding in this year's budget's going to orange-bellied Parrot conservation, and we will wait for that -

CHAIR - In total you want, Cassy?

Ms O'CONNOR - In total, in this year's budget, but what we understand is that the Robbins Island Wind Farm developer now has to fund orange-bellied parrot conservation.

Do you agree, minister, it would be appropriate and desirable for NRE to continue its monitoring of orange-bellied parrots, if nothing else, to make sure that the work that ACEN is undertaking is robust given that, I mean, it is sort of arguable that ACEN has a vested interest in minimising the impact of its operations on this critically endangered species.

Mr ABETZ - Look for a start if I got the message right, \$1.4 million is being spent in 2025-26, businesses usual.

Ms O'CONNOR - That's last year.

CHAIR - And what about this year though, I think the question was what funding is there this year?

Ms O'CONNOR - For orange-bellied parrot conservation?

Mr JACOBI - Through you, minister. I think we will take that on notice.

Mr ABETZ - Yes, take that on notice.

Ms O'CONNOR - I mean, you'd know. Someone sitting across from us at the table would know the answer to that. Mr Jacobi would know.

Mr JACOBI - We'd need to look at salaries and operating and do a break down of salaries and operating, to provide you with an accurate figure.

Ms O'CONNOR - Okay. Can we get an update on the Maugean - well, first of all, is there an operational, orange-bellied parrot recovery plan in place?

Mr ABETZ - In?

CHAIR - In place.

Ms O'CONNOR - In place.

CHAIR - Is there a -

Mr ABETZ - In place.

CHAIR - Yeah.

Ms WILSON - Through you, minister. Yes, there is.

Ms O'CONNOR - Okay. Thank you. Can we have an update on the maugean skate captive breeding and recovery program in Macquarie Harbour? Can we have it confirmed that it's been largely unsuccessful, sadly? I don't think there's been much breeding from the male who was transplanted back into Macquarie Harbour, but I could be wrong there.

Dr ALDERMAN - Through you, minister. I would say the work to date has actually been hugely successful in terms of the captive component, we're talking, yes? We've gone from not knowing if it was possible to have and house skate in captivity, to successfully collecting eggs from the harbour, being able to hatch those in captivity and produce viable offspring that are now at reproductive age.

We've successfully taken live adult animals out of the harbour and been able to rear them in captive conditions that aren't like the harbour and then to re acclimate them back to be released back in the harbour.

CHAIR - There's nothing quite like the harbour. You can't really recreate the harbour.

Dr ALDERMAN - The scientists at IMAS have actually been doing, not 100 per cent, obviously, but challenging the skate, putting them in conditions that have the same sort of oxygen levels and temperatures so that they are in the same sorts of conditions. Recently, as it was reported in the media, the two remaining adults were released and this is very much a sort of a trial to understand, to learn through all the different methods. In that regard, it's been a success.

What the next steps are in a captive setting is still being worked through, whether we need to have an ongoing captive population for the skate in the current form. Do we scale it up? Do we scale it down? All those kinds of conversations are still dependent on a whole range of other inputs, but to date, very successful research and development in the captive skate space.

Ms O'CONNOR - Thank you, Rachel. Do we have an understanding of what the Maugean skate's population is in Macquarie Harbour? Through you, minister.

Dr ALDERMAN - Similar to, I guess, the orange-bellied parrot discussion, we're still continuing to learn, and we're learning a lot each time. I guess we're getting closer to having a more robust estimate. IMAS have been doing their monitoring with the gill netting over not

very many years. It's only been four or five years in succession and that's not really enough data to give you a confident trend about the actual numbers, but it is giving us an index.

Ms O'CONNOR - What's the index?

Dr ALDERMAN - The most recent monitoring campaign, and IMAS is soon to be publishing their report for 2025, is actually showing the skate are back up to levels pre the 2014 baseline.

Ms O'CONNOR - What's that?

Dr ALDERMAN - It's not a number. This is an index; it uses catch per unit effort (CPUE), so it's the number of skate caught per unit of amount of effort, setting nets.

Ms O'CONNOR - Who catches skate? So it's part of the research, the skate are caught?

Dr ALDERMAN - Yes. So IMAS, yes. NRE Tas fund IMAS to keep this monitoring work going each year.

CHAIR - They survive being caught though, don't they?

Dr ALDERMAN - Absolutely. IMAS have done some very rigorous methods. It's all going through animal ethics. They've refined the capture methods and this is our long-term - and again, it's not that very many years, but we're building on it. This is our long term dataset for the skate, showing numbers that relative to 2014 - which was a baseline year, then there was a big gap before IMAS recommenced their monitoring. There were a couple of years where the numbers went down, and that created concern, and it was a justified concern, and in the last three years, I believe this will be available online, the numbers have - the index has come back up again.

Ms O'CONNOR - Thank you, and through you, minister, you're talking about numbers there, so you must have an idea of what the numbers are.

Dr ALDERMAN - That was my slip up to use the term 'number'. It is -

Ms O'CONNOR - There would have been a baseline number in 2014, and what - through you, minister, what we're being told here is that, at some level, we're back to close to baseline. Is that a correct interpretation of what you've said?

Dr ALDERMAN - Yes.

Ms O'CONNOR - So, is it not possible to apply an index metric and give indicative numbers of skate in Macquarie Harbour?

Dr ALDERMAN - The catch per unit effort and the gill netting is one data source, and that's not going to give numbers: can't do it. There is an estimate using capture-mark-recapture which I can go into if you like, but there has been an attempt to do that way back when, and that yielded a population estimate ranging from - we're kind of making this up - but many thousands from down here to all the way up here, so it wasn't very useful. The number could

have been anywhere in there. That's been the only estimate really put out there available around skates, so fewer than several thousand, but beyond that -

Ms O'CONNOR - So, the estimated population on the index that you have is somewhere fewer than several thousand, so the correct translation?

Mr ABETZ - I have a document here telling me 4102, to be exact, last time I put my head underwater and counted, but I'm not sure how relevant that figure is.

Dr ALDERMAN - And I would say that that's an estimate that no - we don't want to be putting too much weight on yet because it's got very wide confidence intervals to be almost - not meaningless, but it could be anywhere from 1000 to 8000, if that makes sense.

Ms O'CONNOR - Thanks, Rachael. What was the rough baseline in 2014? Do we know?

Dr ALDERMAN - From the CPUE measure, sorry, the gill netting which was the index?

Ms O'CONNOR - Yes. Well, whatever was the best available evidence to point to a population number in 2014.

Dr ALDERMAN - I would have to look up the number from around the 2014 that was a population estimate. That's easy to obtain, but I would just note that, generally speaking, there's not a huge amount of confidence in it. There is one other point to make, that through the broader work of the recovery team, CSIRO and IMAS are together working on a new technique using genetic sampling that is going to yield, we hope, much more confident estimates of the actual population size, and that's what the recovery team are looking at for population size, the gill netting.

CHAIR - So are you seeing, like, juveniles as well as adults and little baby fish, little fry as well, when you're out there looking for them - they're called fry, just for those who don't come from the country.

Ms THOMAS - I know plenty about Maugean skates, thank you.

CHAIR - But are you seeing like a full range of ages when you're looking at the catching program?

Dr ALDERMAN - So, with the gill netting, they are size selective in what you catch. So, typically, they're only going to be catching the adults.

CHAIR - But are they seeing younger ones?

Dr ALDERMAN - Yes. So smaller animals are being detected in a range of methods, which is confirming for everybody that recruitment is occurring.

CHAIR - So they're breeding in Macquarie.

Dr ALDERMAN - Yes, in Macquarie Harbour, yes there is - there are several lines of very confident evidence that the skate are breeding in the harbour.

Mr ABETZ - Nature at work.

CHAIR - We might need to move on, we're not going to get climate change. We'd better do climate change.

Output Group 7 - Renewables, Climate and Future Industries Tasmania

7.2 Climate Change

Ms THOMAS - Minister, in the past two years the Climate Change Office has delivered Tasmania's Climate Change Risk Assessment, six sectoral emissions reduction and resilience plans and the Emissions Reduction and Resilience Road Map 2024-2029. Each of these documents clearly identifies escalating risks to Tasmanian communities and calls for increased investment and coordinated action; but despite this, it appears funding for the Climate Change Office is projected to fall dramatically from \$9.482 million in 2025-26 to just \$1.641 million -

Ms O'CONNOR - Scandalous.

Ms THOMAS - by 2027-29. Given this is what is projected in the forward Estimates, minister, how does the government expect Tasmanian communities, businesses and local governments to build resilience to climate change in the face of such significant reductions in capacity and investment?

Ms PINTO - Through you, minister, I might just start by talking through a little bit of the changes in the funding profile and then talk about some of the programs that we've got. So, in terms of funding, there is a number of fixed-term funding initiatives that are within this output group that are ending in the current financial year that we are in. So, there was quite an amount of climate change action plan funding that is ceasing in this financial year, and there was also funding associated with the electric vehicle target for the government, and there are also - there was also some funding around the emission reduction loan scheme.

What we do have carrying forward into this coming financial year of 2026-27 is funding that is associated with responding to some of the risk profiles in the climate, particularly in relation to responding to flood impacts and other weather events, and how you recover, and the resilience associated with that. So, there's funding associated with that. That is in the 2026-27 year. So, in relation to your question in terms of how we are working across - and I will talk about it across government as well as across local government - one of the key areas of the Climate Change Office and the action programs you referred to - so, the action programs themselves look at a number of areas to build capability across, not only across government, but across local government. So, there's a number of initiatives that we have run, working with local government, to build their understanding and their ability to respond and adapt and have the understanding and capability to deliver with that.

We've also been running comprehensive programs across government to build capability in how the acknowledgement of risks that are identified in the climate risk assessment, how you can then respond to those. A lot of areas in the Department of Natural Resources and Environment Tasmania themselves look at that in a marine perspective, particularly across the agricultural sector. A lot of that work that has been occurring over the last three to four years has been about building that capability. A lot of the investment the government has already

made to date has been for the purposes of building that capability, such that that can carry on in the way that those sectors across not just government, but across local government and businesses themselves, can respond.

Ms O'CONNOR - What about an answer to the question?

Ms THOMAS - Still a pretty big cut from even taking out the emission reduction scheme and the EV target. What was the third thing you mentioned - third big initiative?

Ms PINTO - The climate change action plan.

Ms THOMAS - Yes. Climate change action plan. So, even still, it's cut from \$3.2 million to \$1.7 million over the forward Estimates - pretty much halving. So, what, minister, will the government not be doing in the climate change space other than taking that out from that bigger amount of \$8.5 million is the estimated outcome for 2025-26. What is the government going to stop doing? Climate change isn't stopping happening.

Ms PINTO - Through you, minister, as I noted, there are a number of initiatives that are seeking to build capability across government -

Ms THOMAS - So, cost shifting across to other agencies or local government?

Ms PINTO - There are initiatives that are occurring across government that are not necessarily funded out of the climate change funding program. For example, in the energy space, there are initiatives that are in there to promote the reduction of energy use within the home. There are funds that are in the forward Estimates associated with reducing energy use in the home by providing access to funding for low-socioeconomic communities through the NILS program. There are also initiatives within the agricultural sector that are, I think, there are - I'm just trying to recall the name that, I will find one in a moment - but there are some across the agricultural sector, whereby we're seeking to look at adaption in that sector and how they are able to adapt the way that they are undertaking their operations. We also have funding that's been allocated to TasFarmers to look at initiatives for the application of seaweed and how that can be used in the agricultural sector to deal with emissions.

CHAIR - The *Asparagopsis*?

Ms PINTO - Thank you. I used the more layperson's term -

CHAIR - To stop the cows from releasing so much methane.

Ms PINTO - because that term didn't quite come to me in the moment. But yes, thank you, Chair.

Ms THOMAS - Plain English.

CHAIR - Most of it comes from burping, contrary to what some people think.

Ms PINTO - Yes.

Ms THOMAS - Only country people know.

CHAIR - Correct. That's exactly right.

Mr ABETZ - Well done.

CHAIR - You got to come from the country.

Ms PINTO - I think the key - there are a number of programs whereby we have - I'll give you another example, one of the extremely important elements across this sector is around information and having access to really detailed information. So, some of the funding that has been provided in the financial year, that we're just finishing now, has been provided to the University of Tasmania to undertake fine-scale climate projections. That's a really detailed body of work. What that seeks to do is to take the information that is available at a higher level and it takes it down to a far more granular level. Again -

Ms O'CONNOR - I'll just check - isn't that an extension of Climate Futures, which began in 2008?

Ms PINTO - Going to defer to my colleague here, if that's okay, through you, minister.

Ms O'CONNOR - It's a longstanding program; a longstanding body of work.

Ms PINTO - Sorry, I'm going to do that as well.

Dr RUSSELL - Climate Futures obviously came to fruition in 2010 and we're currently updating that in partnership with the University of Tasmania.

Ms O'CONNOR - So, it is Climate Futures work update?

Dr RUSSELL - Yes, an update. So, we're using CMIP6. There's three stages to that program. The first one has been completed and is a usability assessment. The second piece is the information and data and translating that. The third piece is, I think, where the rubber hits the road and that's that translation piece, so what do those climate change projections mean for you and your sector. Whether you're community, business, industry, running an aged-care facility, whatever that might be.

Ms O'CONNOR - With you and your family living on a wild land urban interface like Hobart.

Ms THOMAS - Is it fair to say, minister, that from what I'm hearing, the government had upsized the budget over recent years and now it's downsizing it back to where it was when? For climate change? If you're telling me that the bulked-up budget was for particular initiatives that are being distributed elsewhere or discontinuing, was there ever a time where the climate change budget was \$1.7 million?

Ms O'CONNOR - No, not when I was minister.

Ms PINTO - Through you, minister, I don't have that exact detail in front of me as to what it has been in prior years, but in responding to an earlier part of your question, certainly back when the *Climate Change Act* was amended in 2021, there were a number of key elements

that were included into that act that put upon the government really important obligations to ensure - one of which is to review the act, which has only just been completed in this last period, to deliver frequent reporting every year, to establish the emission reduction and resilience plans, to undertake the risk assessment - there were a number of them.

In answer to your question, the government at the time of doing that amendment to the act committed a sizeable amount of funding to ensure that those significant bodies of work could be undertaken and that actions arising from them could be undertaken. It's a really broad program of work. So many areas across the Tasmanian sector - from households through to business through to local government, through to government itself - have been addressed through these comprehensive programs. In answer to your question in regard to the quantum, yes, there was a quantum of funding for the purposes of ensuring that what was amended in an act could be responded to in an expedient fashion with plans and actions and programs.

Ms THOMAS - To follow up from that, the independent review of the *Climate Change (State Action) Act* in 2025-26 identified substantial gaps in governance, adaptation planning, and progress towards emission reduction targets. This really is a question for the minister as to why hasn't the government committed to implementing key recommendations from that review of the act in 2025-26? Minister, do you know why the government hasn't committed to implementing key recommendations from the review of the *Climate Change (State Action) Act*?

Ms O'CONNOR - I bet you the government's not committed to a single recommendation of the seven in the Climate act review. Not one.

Mr ABETZ - I've been told and had my attention drawn to a brief that tells me that action plan investment across whole-of-government equates to \$250 million. We are continuing to implement the action plan and a number of key projects and legislative requirements to be delivered. A total funding for action plan initiatives under the climate change output is \$14.3 million. These funds have been allocated against projects identified in the action plan and the emissions reduction and resilience plans and will be progressed over 2025-26 and 2026-27.

CHAIR - That's when the funding drops off.

Ms O'CONNOR - Can we ask you, and perhaps we can put it on notice, for a detailed breakdown of those two expenditure items that you detailed before, because I suspect that there are things in there like native forest burning for energy or the accounted Marinus in there. It'd be good to have a breakdown.

Mr ABETZ - Yes, I'm happy to take that on notice.

CHAIR - A breakdown of that line item, is that what you mean?

Ms O'CONNOR - A breakdown of that statement that there's been millions of dollars spent on mitigation and adaptation.

Ms THOMAS - Well, that didn't answer my question, actually, minister, with respect I appreciate the information that you've provided, but do you know why the government hasn't

committed to implementing any of the recommendations from the *Climate Change (State Action) Act* review that was done in 2025-26?

Mr ABETZ - I'd have to take that on notice, I'm sorry.

Ms THOMAS - Okay.

CHAIR - Maybe there's got to be somebody that may be able to assist.

Mr ABETZ - Oh, sorry unless somebody does have information.

Ms PINTO - Through you, minister, I will check with my colleagues in relation to the prior question of the \$250 million that we may have provided that information at a prior budget Estimates hearing, so, we might just check that though during the session. But, in response to your question -

CHAIR - We have five minutes left of this session.

Ms PINTO - Yes, sorry, in response to your question, which was in relation to the recent independent review of the act, if, with the grace of the Chair and through you, minister, I might just give a little bit of information about that review and its findings, and then in response to the government's response to those findings, I will also include -

Ms O'CONNOR - Can I just check you there, because we have five more minutes in this output and we can read the review document, so we don't need an overview of the review. Thanks.

Ms PINTO - One thing I will make note on the record is that the review determined that the act provides clear and stable legislative framework within Tasmania and is well supported by longstanding leadership in climate policy. That's an extremely important finding from that review.

As the honourable member noted, there were a number of recommendations. There were seven recommendations that were made as part of that review. At the moment, the government has been acting closely, working with the Climate Reference Group. The Climate Reference Group has a number of key members across industry and government. I will ask my colleague in a moment to refer to the members. We've been working very closely with that Climate Reference Group to unpack those recommendations.

One of the key things that has been identified is that the robustness of the legislation and the actions that are being undertaken at the moment are key foundations to respond to those recommendations. As an example, recommendation one which relates to the government establishing an independent body to oversee, there is already as I noted, a Climate Reference Group. It is well represented across key stakeholders across Tasmania. Some of the initiatives associated with responding to that would include review of the terms of reference and the transparency of the minutes and reports that are engaged with that group.

In terms of the second recommendation, which is to replace the legislative four-year review cycle to a 10-year review cycle, the government is inclined to maintain the current four-year cycle through the legislative review.

Through you, minister, I could go through the recommendations in detail.

CHAIR - No, we won't have time for that.

Ms PINTO - I acknowledge that.

Ms THOMAS - Can I ask that that information be tabled or provided for the committee?

CHAIR - Perhaps the rest of the response would be helpful if we can do that.

Ms O'CONNOR - Okay, just a couple of things. I noted what you said before about the Climate Office working to build capability across local government. I will just note to the minister that the Local Government Association of Tasmania, two years in a row now has put in a budget submission seeking about half a million dollars to have a climate capability officer that works across local government, particularly on their adaptation planning. For two years now that funding application has been rejected. But also, when we talk about the robustness of the legislation, it's done nothing to bring down emissions. There's ineffectual adaptation planning -

Ms O'CONNOR - That's been identified by the review, and one of the key things that it recommends is an independent advisory body to government, which is not this body. Minister, do you recognise the importance of having really contemporary climate change legislation that drives lowering emissions, because no emissions have come down in nearly 30 years, but also that drives adaptation planning because at the moment it is ad hoc and uncoordinated and it's not going to keep Tasmanians safe.

Mr ABETZ - What I can do, Chair, is to table the breakdown of the \$250 million to which I referred to previously which I understand was a point in time in 2023. I table that which shows activities across a whole range of government areas, totalling \$250 million.

CHAIR - With the money -

Ms O'CONNOR - How about just addressing your mind to the question about having contemporary, effective climate change legislation, which the review has suggested we don't have and that it needs improving.

Mr ABETZ - I will leave that for further consideration by the government.

Ms O'CONNOR - You don't think it should be a priority of government to have a really contemporary piece of climate change legislation that lowers our emissions and drives proper adaptation planning?

Mr ABETZ - My answer remains.

Ms O'CONNOR - What a shame.

CHAIR - Looking at the time, minister, we thank you for your time. You don't have anything else to provide for the committee before we finish?

Mr ABETZ - No.

CHAIR - We will write to you with the questions you've taken on notice that you haven't been able to respond to as yet. Thank you for your time.

Mr ABETZ - Thank you.

The witnesses withdrew.

The committee adjourned at 9.16 p.m.