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THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 16 AUGUST 2024

INQUIRY INTO THE TT-LINE SPIRITS PROJECT

The Committee met and the public hearing commenced at 11:30 am.

CHAIR (Ms Forrest) - Welcome to the Public Accounts Committee's scrutiny into the TT-line, management of the delivery of the new *Spirits* and related infrastructure. The purpose of this hearing today is to hear from you, as the former leader of the Labor party, Rebecca, and you as the former shadow Treasurer, Shane, to understand what information was provided to you under the caretaker convention.

We don't need to swear you in, because you're already sworn, but I invite you to inform the Committee as to what you're happy to share with the committee with regard to that. If there's anything you want to present to the committee in camera, you can make that request and the Committee will then consider it. Otherwise, it will all be public. I'm sure you understand the conventions.

Ms REBECCA WHITE, LABOR MEMBER FOR LYONS, AND **Dr SHANE BROAD**, LABOR MEMBER FOR BRADDON, WERE CALLED AND EXAMINED.

Ms WHITE - Thanks, Chair, and thanks for the opportunity to come present to the committee. We're happy to share as much information as we possibly can. In the interest of transparency, the Tasmanian public deserves to know what information was provided to us. Nonetheless, I think we need to be respectful to the caretaker conventions, and there will be a period where I request the Committee take some evidence in camera, and I'll explain the reasons for that.

Largely, that's due to the fact that we do respect the caretaker conventions and they should apply in this state, making sure that any decision that might bind a future government or have a material impact on a future government can be shared in an open and transparent way with any opposition without fear that there might be a breach of the trust that's shown in those circumstances. In the interest of maintaining the respect of this convention, that any detail that was shared with us by the Department of Treasury and Finance during the election period, I would ask that those details not be disclosed publicly and ask to provide that information to you in camera at the right time, because I think we need to respect the public service's role to provide information confidentially during caretaker when it's necessary.

However, we are happy to share with you and the Committee all information that we can that was not provided to us in that briefing to allow the committee to understand how much information was kept secret. I think the question in this instance is whether that information was kept secret deliberately or whether it was incompetence. Either way, there was information that was not shared with the Labor opposition during the caretaker period that we believe should have been.

There appears to have been a breach of the caretaker conventions with the failure to provide a full update to the opposition during the election period. And we'll share with you

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now the information that we can that we were not provided in that briefing, but we think would have been material to provide an opposition during the caretaker period.

I'll ask Dr Broad to go into some further details about that and then happy to elaborate on any evidence that we provide.

Dr BROAD - So we can be very clear about what we weren't told. We were not told that there was consideration of a €50 million bailout for the Finnish boat builder RMC. We were not told that there was going to be a bailout from the Finnish Government. We were not told that TT-Line was considering waiving the penalty clauses. We were not told of the problems with the wharf upgrades and in particular that they were going to go back to the market after they tore up their MOU with their preferred contractor. And we were also not told of the significant cost upgrades, with the wharf infrastructure was going from \$90 million up to \$375 million.

We were not given all that information when we had that briefing on 29 February [2024], but we were also not informed when TT-Line made those decisions before the election was finalised. So that in my mind is a clear breach of the caretaker conventions because that would have meant us, as an incoming government, would have been completely blindsided by the significant financial penalties and financial costs that the new government would have had to have worn. So just in that particular instance, we believe it was a significant breach of the caretaker conventions.

So, to be clear, we were not informed of the €50 million payment to RMC, the Finnish boat builder. We were not told about the bailout from the Finnish Government. We were not told about waiving the penalty clauses and we were not told about the significant issues at the wharf in Devonport.

CHAIR - Did you want to add anything else, Rebecca, to those comments?

Ms WHITE - I think Dr Broad has provided adequate details of what we were not told in that briefing. I'm sure members are familiar with the guidelines on the caretaker conventions. I'd just draw your attention to 1.1, which states that while government businesses continue as it applies to ordinary matters of administration, their caretaker conventions do affect some aspects of executive government. In its summary, the conventions are that the Government avoids making major policy decisions that are likely to commit an incoming government or limit its freedom to act, making or renewing significant appointments, and entering into major contracts or agreements. I think in this instance it could be argued that they did breach those conventions.

CHAIR -So you may have seen in the Committee's previous early hearings, Treasury provided advice to the TT-Line outlining their position on this. You stand by that, even though despite Treasury advice, they still breached.

Ms WHITE - I suspect what Treasury might have been relying upon is the section that talks about major contracts and agreements, there is an operational provision that allows for: where contracts have been entered into prior to the caretaker period, further agreements can be entered into during that period if these are subsidiary to the head contract relating to matters already proceeding or penalties made incurred for breach if further agreements are not entered into. But that would be the only defence they had for not providing that further information to

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the Opposition, and I think it's a bit flaky. I think in the interest of radical transparency, which should be the objective of any good public service or any good Minister and Premier who are doing their job appropriately, there should be briefings provided to the Opposition parties - if it could be a decision that binds a future government. And in this case, it certainly would have done.

Dr BROAD - And also if the Government became aware - so we're not sure of the Government's timelines and when they were informed - but if they were informed of significant changes and did not inform the Opposition before the finalisation of the election period, then they are also in breach of the caretaker conventions: so, it's not just TT-Line here or Treasury. The Government has a duty to inform the opposition of significant changes and we weren't.

CHAIR - Do any members have a question? Yes, Josh.

Mr WILLIE - Were there any other breaches of caretaking conventions that you're aware of?

Ms WHITE - I certainly raised concerns. I ended up writing a letter to the Secretary of the Department of Premier and Cabinet and I copied that to the Governor at the time. I have a draft in front of me that I'll refer to, because obviously we were unaware, in this instance in the matter the Committee is inquiring into regarding the TT-Line about the significant number of matters that Government was making decisions about because we were not told of those.

What I did raise concern about were matters relating to disaster assistance provided to the Break'O'Day Council, disaster assistance provided to the Central Highlands Council, drought relief provided to the Flinders and King Island communities, and also a decision to commence assessment on Whaleback Ridge as a major project.

In each of these instances, we were either not provided information before a decision was made, or I have a record of text messages from the Premier in instances where he might have contacted me one minute before it was announced publicly. Certainly, no briefing was provided, it was just a copy of the press release or lines from his public statement that he would text me and say, 'Heads up, I'm about to announce this.'

Certainly, not in keeping with what would be expected under caretaker conventions, not faithful to how those objectives should be observed.

Dr BROAD - This is also in contrast with my previous experience from previous elections. If you recall, there was a time during the election caretaker period where there was the fruit fly outbreak. I was certainly briefed about that, and then subsequently actually did a joint press conference with the Premier, Jeremy Rockliff, in his role then as Minister for Primary Industries. There's an absolute chalk and cheese between that election period and the election period we've just had where we were completely blindsided by a number of issues where we only found out when we started asking questions in Question Time.

We're not talking about being updated at any stage during the election period, and the only way we found out about these significant issues was when we did a series of questions in Question Time. That's certainly not the way that the public should be informed.

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Mr BEHRAKIS - Have either of you, or members of the Labor party, since that briefing had any meetings with TT-Line about this? Can you detail any of those?

Ms WHITE - No, I haven't.

Dr BROAD - No. You have to remember, as well, that our roles changed subsequent to the election.

CHAIR - Is there anything further you wish to add about what you weren't told or the caretaker convention as you see it before we consider matters you want to discuss in camera?

Ms WHITE - There's nothing further that I can add at this stage, but I'm happy to share more information with the Committee in camera about what was provided in the confidential briefing.

CHAIR - Just to reiterate why you believe it's necessary to have that information heard in camera, because the Committee will need to deliberate on that request.

Ms WHITE - I respect that. Fundamentally, it's because I respect the Westminster system of government, and think that we should observe caretaker conventions and allow for public servants to brief opposition parties, who could form government, truthfully and honestly without fear or favour, knowing that that information will not be disclosed in an inappropriate way. It's about maintaining respect for conventions and recognising that that was a briefing offered to us confidentially during the caretaker period. I think it would be unwise to share information that was given to us confidentially because it might prevent future opposition parties being provided information during caretaker because there might be a suspicion that information could be leaked or shared publicly.

Dr BROAD - Even if that's at a later date.

CHAIR - What this Committee and others have done in past times is often agreed to take information in camera, but after the end of that evidence being taken, if there are matters that should be rightly ventilated in the public, we would discuss that with you, in terms of thinking forward about the future.

Ms WHITE - And I'd be comfortable with that, as long as the Department of Treasury and Finance were also briefed about that. My view is that if the Government is now comfortable for this information to be disclosed publicly, then I am also quite happy for it to be disclosed publicly. Without knowing that, I ask the Committee to consider taking it in camera in the first instance.

Mr SHELTON - Thanks, Chair. I do note that you talked a lot about what you weren't told, but when you go into committee, you talk about details. I would like to know who was at the meeting, who briefed you, what was the general discussion about - not going against caretaker convention, but what was the general theme of the meeting and what can you, in open committee, tell the committee about that meeting?

Ms WHITE - I'm happy to tell you it was organised by the Department of Treasury and Finance. The Secretary, Gary Swain, reached out to organise that meeting. He invited both

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Dr Broad and me to attend on behalf of the Labor Party. Also in attendance at that meeting were members of the TT-Line board and the CEO.

Dr BROAD - To give you the genesis: the Pre-Election Financial Outlook Report came out, I think, on 28 February [2024] and subsequent to that, we were offered the briefing on 29 February [2024]. That was the framework that was the basis of the discussion.

CHAIR - So your briefing was offered on the basis of the information in the Pre-Election Financial Outlook Report or because of matters related to the TT-Line vessel?

Dr BROAD - To give that level of detail we need to go in camera, but it was to do with the recent tabling of the Pre-Election Financial Outlook Report.

CHAIR - That was the trigger?

Dr BROAD - That was the trigger.

CHAIR - I will go back to my earlier point that there may be information that is received in camera that could be released later; but with consent and agreement by you and, as you say, Treasury, which would require providing the transcript to Treasury, which you may need to give approval for.

Ms WHITE - Yes, that's fine. Thanks, Chair.

CHAIR - Would you mind stepping outside. We'll stop the broadcast and we'll clear the room. We will only be a few minutes deliberating.

The witnesses withdrew.

Public hearing suspended at 11:44 am.

Public hearing resumed at 11:49 am.

CHAIR - Thank you for coming back. The Committee has deliberated and has agreed to hear your evidence in camera, noting that there may be further communication regarding the ongoing status of that at a later time.

Are you happy with that.

Ms WHITE - Thanks, Chair.

CHAIR - We will go in camera and we'll stop the broadcast.

Public hearing suspended at 11:49 am.

The public hearing resumed at 12:10 pm.

CHAIR - Thank you, Rebecca and Shane, for appearing before the Committee. As we discussed in the session earlier, it is the Committee's intention to provide you with a copy of the transcript for you to identify any areas that you believe could be public based on the

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conversations and the evidence you've provided, but also areas that you feel should possibly remain confidential unless approved by Treasury to be released. We'll provide you with that at the earliest opportunity and we won't publish anything from that private session until we receive feedback from you.

Ms WHITE - Thanks very much, Chair.

Dr BROAD - Thank you.

CHAIR - Do you have anything else you wish to add in public session before we close?

Dr BROAD - No.

CHAIR - Thank you for your time today.

The witnesses withdrew.

The Committee adjourned at 12:12 pm.