



# **PARLIAMENT OF TASMANIA**

## **TRANSCRIPT**

### **HOUSE OF ASSEMBLY**

#### **ESTIMATES COMMITTEE A**

Hon. Eric Abetz MP

**Tuesday 2 June 2026**

#### **MEMBERS**

Ms Helen Burnet MP (Chair)  
Mr Mark Shelton MP (Deputy Chair)  
Mr Dean Winter MP  
Dr Rosalie Woodruff MP

#### **OTHER PARTICIPATING MEMBERS**

Mr Bayley  
Mr Garland  
Ms Johnston  
Ms Dow  
Mr Jaensch  
Mr O'Byrne

## **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

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#### **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

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**Audit Office**

**Jonathan Wassel**

Deputy Auditor General

**Janelle Tamlyn**

Director, Corporate Support and Strategy

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**Macquarie Point Development Corporation**

**Output 91.885**

**Anne Beach**

Chief Executive Officer

**Sam Wilson-Haffenden**

Project Director Multipurpose Stadium

**Mat 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



# PUBLIC

## Treasurer

**The committee commenced at 9.00 a.m.**

**DEPUTY CHAIR** (Mr Shelton) - The time being now 9 a.m., Estimates scrutiny will now begin. I welcome the Treasurer and other witnesses to the committee. Before proceeding further, I report the following correspondence through the Chair of the Committee, Helen Burnet MP, from the Speaker, dated 1 June 2026:

Dear Chair,

In accordance with the provision of the resolution appointing the Estimates Committee under membership of the Committee paragraph six, I hereby nominate Mr Mark Shelton MP, as a substantive member of, and Deputy Chair of, the Committee in substitute for Mr Marcus Vermey MP from 2 June 2026 for the remainder of the week, unless otherwise advised.

Yours sincerely,

Honourable Jacqui Petrusma MP  
Speaker

I now invite the Treasurer to introduce persons at the table for the benefit of Hansard. The time scheduled for the Treasurer is four hours. We will take a break at 11 a.m. for about 10 minutes, or quicker if we can, because all time has to be made up. Questions should be directed to the Treasurer. The House resolution provides for a minister to provide additional information to a committee, either later that day or in writing as an answer to the question taken on notice. To submit a question on notice, the member must first ask their question to the Treasurer, and the Treasurer must indicate that he will take the question on notice. The member must then put the question in writing and hand it to the committee secretary so it can be included in correspondence to the Treasurer for an answer.

I remind you all that the microphones are very sensitive, and so I ask you to be mindful of Hansard and be careful when moving folders, documents and water glasses around the table. It is difficult for Hansard to differentiate when people are talking over each other, so I also ask that members speak one at a time. As Deputy Chair, I will be looking to ensure the fairness and appropriate conduct of the proceedings today and ask that all participating members do the same. Treasurer, as the committee has agreed that opening statements should be tabled rather than read, you now have an opportunity to table the statement before questions start, and could you please introduce the members at the table.

**Mr ABETZ** - I'm sure everybody listened to the budget speech, so I won't seek to go over that again. If I have to table a statement, it would only be the budget speech, so we won't do that. Can I introduce the secretary of Treasury, Gary Swain, sitting on my left; deputy secretary, budget and finance, Mr. James Craigie; to his left, Mr Jonathon Root, deputy secretary, regulation and revenue; and then to my right: Mr Dean Burgess, deputy secretary, economic and financial policy. With that, Chair, open for questions.

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**Mr WINTER** - Thanks for being with us, Treasurer. Yesterday, the Premier was asked whether there was a process for himself or other ministers to make changes to the budget papers. He said:

All departments have input into the wording of the budget, and we also look around the figures and all those presented. We see draft chapters as well.

Can you or the secretary take the committee through what process, departments, ministers or the Premier in his office go through if they want to make changes to the budget?

**Mr ABETZ** - Look, the whole budget is very much an iterative process, where bids are made backwards and forwards, and possibly for the backroom dealings, if I may, I will hand to the secretary of the department - when I might say backroom, I mean the departmental discussions - and then that comes forward through ministers to budget committee and finally Cabinet, so at the end of the day, the budget is a Cabinet document.

**Mr SWAIN** - I can add a bit of detail: so the budget would normally take 9 or 10 months. We haven't had a standard budget timetable for some time. Coming off the back of last year's Budget, we had an overlap with the beginning of this Budget and last year's. There is usually a period of public consultation. There is, during the front end of the budget, an articulation of the overall budget timetable. After Cabinet has signed off on that timetable, that then leads to some requests of agencies. In this case, there were requests around savings measures in particular, and then there's a series of meetings which - budget committee goes through literally several hundred decisions, that culminates in a set of numbers that are then signed off by Cabinet.

Once those numbers are finally finalised, there are some calculations that are done, because there are some numbers you have to calculate once you have all the base numbers settled, and then those numbers go to departments who enter them into the budget information management system, and then we move to a phase of drafting the - I think it is about 58 chapters that make up the budget papers now. So, all the way through that process, there's back and forth between departments and Treasury, and between ministers and their departments, and the Treasurer and ministers. The Premier is obviously on the budget committee and chairs Cabinet, so is involved in that process.

**Mr WINTER** - So was there changes? You've outlined the process through to getting sign-off. The question that was asked yesterday that I'm interested in is whether the Premier or his office directly made changes to the budget papers back to Treasury, or facilitated by your office, Treasurer?

**Mr ABETZ** - Look, the Budget is the budget of the Cabinet, and individuals are entitled to make suggestions, recommendations and there's backwards and forwards. As I said, it's an iterative process, and whether some people do or don't is up to them, as to whether they want to have input into the budget, but ultimately it is the Cabinet.

**Mr WINTER** - Directly, the question is: did the Premier's office make changes to the budget papers, and if so, what were they?

**Mr ABETZ** - Well, no, because the Cabinet signs off on the budget.

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**Mr WINTER** - The question yesterday to the Premier was: did his office get access to the draft papers and make amendments to the budget papers, and if so, what were the changes that were made?

**Mr ABETZ** - Look, at the end of the day, anybody can make suggestions in relation to the draft budget papers and then Cabinet signs off on them.

**Mr WINTER** - The question was, did the Premier's office make changes, and what were those changes?

**Mr ABETZ** - Nobody makes changes per se. Suggestions come forward and then they're signed off by Cabinet.

**Mr WINTER** - The changes that were suggested; were they implemented? And what were those changes? Do they concern the number of public sector job cuts?

**Mr ABETZ** - I wouldn't - quite frankly, off the top of my head, I cannot recall how many, if any -

**Mr WINTER** - Perhaps Mr Swain could help?

**Mr ABETZ** - but like with any others, I could imagine that the Premier's office and other ministerial offices would have suggested amendments, and I assume some would have been agreed, some not agreed; but I understand the Premier took the detail of that question on notice yesterday.

**Mr WINTER** - It's a really simple question, Treasurer. What changes were made?

**DEPUTY CHAIR** - I need to move on to Mr Bayley, now. Mr Winter, you can go back to that line of questioning if you wish later on.

**Mr BAYLEY** - Thank you, Treasurer and team, for coming here today. Treasurer, yesterday you corrected the record and said that the decision regarding former minister Madeleine Ogilvie's legal fees did come to you while you were a Cabinet minister. You joined Cabinet on 10 April, 2024. Can you confirm when the decision in relation to the former minister Ogilvie's legal fees actually came to Cabinet and the decision was made?

**Mr ABETZ** - No, I can't.

**Mr BAYLEY** - Can I ask about the Budget in relation to outputs? This, and potentially other cases are ongoing cases. There's a Cabinet decision that's obviously spent \$120,000 already on former minister Ogilvie. There's \$300,000 for minister Howlett, there's \$15,000 for Mr Shelton. Can I ask in this budget, how much is allocated or envisaged for legal fees and which line item? Where can we find that in the Budget? Where does that sit within the Budget?

**Mr ABETZ** - That's a good question, do you know the answer to that James?

**Mr SWAIN** - Yes, so we don't have the individual figures, but it's in the Ministerial Parliamentary Services (MPS) output which is within the Department of Premier and Cabinet (DPAC).

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**Mr BAYLEY** - And how much would be a contingency or how much would be allocated or quarantined for future legal expenses in relation to these or any other cases that may be under foot.

**Mr SWAIN** - Sorry, I've just been reminded it is its own agency, not part of DPAC so I'd just like to correct that.

**Mr BAYLEY** - It's still ministerial services and -

**Mr SWAIN** - Yep.

**Mr BAYLEY** - And how much is in there, is envisaged or quarantined in this budget for potential expenditure on legal fees?

**Mr SWAIN** - I don't have that figure. We'd have to take that on notice.

**Mr BAYLEY** - Could you take that on notice?

**Mr SWAIN** - Yep.

**Mr BAYLEY** - Thank you.

**Mr O'BYRNE** - Thank you, Chair. Morning, Treasurer, Kerry. My question's in relation to -

**Mr ABETZ** - Was that a beguiling smile to start off with?

**Mr O'BYRNE** - Well, it's day two, so the fact I'm smiling's a good start.

Treasurer, in terms of the job cuts that you've outlined for the for the public sector, you've set a task of 250 for state growth. We heard yesterday in questioning from DPAC, there potentially may be some movement of staff from DECYP across to state growth, build the new Building Tasmania. And so, I just want to get your perspective on the target of 250 for that department. Is that still 250 employees at state growth and have you set any other departments a jobs reduction target?

**Mr ABETZ** - No, I haven't. From the Treasury perspective, no.

**Mr O'BYRNE** - And so, in Question Time last week you said that no department budget had allocated separate money for redundancies. Is that still the case?

**Mr ABETZ** - Yes.

**Mr O'BYRNE** - Okay, thank you.

**Ms JOHNSTON** - Good morning, Treasurer. In the budget papers you outline that hopefully by 2029-30 you'll be reaching the target of 37 per cent of total general government sector own-source revenue as percentage of total expenditure. But it appears that that's only achievable through reduction in expenditure rather than the growth of own-source revenue, and

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you have ruled out new taxes. Can you please explain to us what removal of exemptions or discounts on existing fees and charges or taxes applied? Will you be removing, if any at all?

**Mr ABETZ** - Sorry, can you repeat that I'm not -

**Ms JOHNSTON** - Can you please outline if you intend to remove exemptions or discounts on existing taxes, or fees or charges that are applied, or levies that are applied, to try and increase own source revenue?

**Mr ABETZ** - I'll say for example, the stamping out stamp duty for first-home owners, things like that?

**Ms JOHNSTON** - Yes.

**Mr ABETZ** - Yes, right, now I'm with you.

**Ms JOHNSTON** - What are you removing in terms of exemption discounts that already exist to existing taxes?

**Mr ABETZ** - There would a list of them? Does anybody have them? Like the first-home owner's scheme we've announced; currently it's \$30,000 to 30 June this year, this financial year, and then it goes to \$20,000.

**Ms JOHNSTON** - Yep, we have a comprehensive list of all the ones that you are removing -

**Mr ABETZ** - I'm just asking -

**Ms JOHNSTON** - or no longer provide exemptions for like it might be that you, yep.

**Mr ABETZ** - Yep, but look there -

**Ms JOHNSTON** - You'll take it on notice?

**Mr BURGESS** - Through you.

**Mr ABETZ** - Take that on notice?

**Mr BURGESS** - It is a difficult question because you're wanting to pick up concessions as well as -

**Ms JOHNSTON** - So, any fees, levies, exemptions to taxes, charges that we have previously provided.

**Mr BURGESS** - Payroll tax threshold.

**Ms JOHNSTON** - Yes, those things, previously have provided that are an exemption or discount for, that you're no longer providing, which would increase our own source revenue.

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**Mr ABETZ** - Yes, but keep in mind, with quite a few of them, I suspect, it's not only a government decision, but ultimately a parliamentary decision as to when cut-off points occur, or that certain discounts would apply for a period of 12 months, but -

**Ms JOHNSTON** - The assumptions you've made in the Budget.

**Mr ABETZ** - But we will try and get that list.

**Ms JOHNSTON** - I believe, Chair, that they're taking it on notice.

**Mr ABETZ** - We'll take that on notice, thanks.

**DEPUTY CHAIR** - Well, as members would be aware, Mr Vermey is ill. I'm in the Chair, and so the Chair did yesterday, I will be asking an occasional question to the Treasurer.

Treasurer, can you outline the importance of returning Australia's GST distribution system to a full horizontal fiscal equalisation?

**Mr ABETZ** - Yes, look, the good thing is, is that everybody sitting around this table agrees with that and I'm very -

**Mr O'BYRNE** - All the time?

**Mr ABETZ** - Sorry?

**Mr O'BYRNE** - All the time?

**Mr WINTER** - Recent.

**Mr O'BYRNE** - Recently.

**Mr ABETZ** - So, some of us have always agreed with that -

**Mr O'BYRNE** - I think the senate vote reflects other.

**Mr ABETZ** - But we are required to do other things. But the good news is that here the State House of Assembly unanimously adopted the motion, and I thank everybody for that, because I think when Tasmania speaks with one voice it is a lot more powerful. Hopefully the Productivity Commission that's doing an inquiry into this matter for the federal government, will take our views into account.

The GST was initially established on the basis of horizontal fiscal equalisation which takes into account the needs of, in particular, the smaller states to ensure that each state, and territory for that matter, has a basic standard of provision of services, and that is enabled via a fair share of the GST. That is what we as a government are seeking to convince the Productivity Commission of, and appreciative of the letter Mr Winter sent on behalf of the opposition, and I think it was Dr Woodruff on behalf of the Greens as well. So, the strength of those representations, and from Tasmania, I think there were the most representations to the Productivity Commission in relation to its inquiry. Very important for us moving forward given that GST accounts for about 40 per cent of our income.

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**Mr WINTER** - Treasurer, really direct question, did the Premier's office make changes to the commentary, or number of public sector job reductions, within the budget papers?

**Mr ABETZ** - Look, I will have to take that on notice.

**Mr WINTER** - Can Mr Swain assist?

**Mr SWAIN** - Yeah, no. All I can say is there was a draft - I mean, the process is draft chapters are given to the Treasurer's Office. The Treasurer's Office will then consult with various relevant ministers, including the Premier, and then Treasury may get changes back from that process.

**Mr WINTER** - In terms of the number of public sector job reductions, in March last year there was an announced policy to cut 2500 public sector workers, in November due to the ongoing growth in the size of the public sector, and notwithstanding the March announcement, there was an announcement that this number would increase to 2800. Is it still correct that the government remains committed to reducing the size of the public service by 2800 FTEs by 2032-33, and that the 1700 figure is simply a target within the Budget and the forward Estimates period?

**Mr ABETZ** - Look, we're looking at reducing the workforce by about 6 per cent over the next four years, and that's around 1800 positions. Which is 1000 less than was originally anticipated.

**Mr WINTER** - So, since the announcement in March last year, there's actually been an increase in the number of public sector workers by around 1000. Can you explain to the committee, because I'm not following what the government's rhetoric or logic is here, because on the one hand you were saying you were going to cut 2500 workers 12 months ago; since then the size of the public sector has not reduced, it has actually expanded and grown by another 1000, and now you're saying that you're going to reduce the size of the public sector by 17 or 1800, in a budget that has far less expenditure than was otherwise forecast. How can you put these things together?

**Mr ABETZ** - Well, the government has made the case very strongly that we need to right-size the public service -

**Mr WINTER** - Yet you've been increasing the size of the public sector.

**Mr ABETZ** - The public service - the salaries takes up about, if I recall correctly, 46 per cent of the budget. If we are to make savings and right-size the public service, that is an area that we do need to look at; and the Premier in March 2025 - or the former treasurer in March 2025 announced the freeze on public service recruitment for non-essential positions, and as I understand it, that helped slow the growth rate but - and I agree with you, there was still a growth which is which was not according to what the Premier and treasurer had announced, and we have a task to bring that -

**Mr WINTER** - What does that say about your ability to manage the public sector? If you've got the Premier and treasurer of the day announcing a freeze and a reduction of 2800 and then over the next 12 months the size of the public sector actually increases by 1000, how can you tell the committee in this Budget you're going to reduce the public sector by 17 or

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1800, when the last 12 months tells us that the public sector has done the exact opposite to what you asked it to do?

**Mr ABETZ** - Because the parameters of this Budget are exceptionally clear in relation to each department and agency -

**Mr WINTER** - So, was last year's Budget unclear?

**Mr ABETZ** - and we have indicated very strongly that we expect the heads of agencies and departments to live within their means.

**Mr WINTER** - Is that 17 or 1800 number - is that from what date, is that from what date? Is that from today - from the date of the budget, or when does the reduction actually count from?

**Mr ABETZ** - That round figure, and it's a round figure, would be as of now.

**Mr WINTER** - As of the size of the public sector in May or June 2026, there will be a reduction of 1700 FTEs over the next four years; is that correct?

**Mr ABETZ** - Look, and I say it's a round number, and so if you're going to ask me whether it's the number from 2 June or 21 May, we can play those sort of games, but there is a clear need to rightsize the public service and we are determined to do that and achieve that -

**Mr WINTER** - I'm genuinely trying to understand what you're doing here.

**Mr ABETZ** - If it becomes 1701 or 1699, and as of what date, it's not about the actual headcount. It's about the savings that we can make to ensure that we don't keep borrowing as we have been, because there is the need, as I think you expressed in the House when you sent us to an early election -

**Mr WINTER** - You tried to stop it, didn't you?

**Mr ABETZ** - the need for 'budget repair', that is what we are doing and we will implement it.

**Mr BAYLEY** - Treasurer, you've taken on notice of how much money is in the Budget allocated or quarantined or provisioned for future legal costs of ministers and/or other members of government. I've just got a question just to genuinely try to understand: how is that estimated? Is there annually a provision in there for ministerial legal fees, or do you provision that based on what's afoot or what's expected? When we get those figures, how can you explain how that is estimated?

**Mr SWAIN** - I can talk in broad terms, I mean so the budget process focuses significantly on incremental budget decisions, so typically what will happen is the Treasury will provide some advice to the Treasurer around the focus for the proposed focus for the budget, and that might be savings, as it was in this case, and then agencies will respond. On occasions they will make a case for additional funding.

**Mr BAYLEY** - In this case, that would be because they know something's afoot, or -

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**Mr SWAIN** - Yes, but that will usually be at not this micro level; it would be more at an output level, or a project or program level. So this is quite a detailed expenditure item within a larger bucket, if you like, so -

**Mr BAYLEY** - And Ministerial and Parliamentary Support is subject to annual \$500,000 efficiencies to be applied across it; how would you envisage efficiencies applied in relation to ministerial legal fees? There's a cut here of half a million dollars every year; how do you manage that in the context of ministerial legal fees?

**Mr ABETZ** - Look, ministerial legal fees -

**Mr BAYLEY** - Are they quarantined from this cut?

**Mr ABETZ** - Like with all legal fees are matters of - yes, trying to predict them is exceptionally difficult, and we do need to have that provision under the protocols that were established, I think, 20 years ago, and those protocols are still being applied.

**Mr BAYLEY** - So is the allocation in this coming year, for example, in this Budget, is it the same as last year?

**Mr ABETZ** - I don't think the Budget goes into such a specificity, if I can use that term.

**Mr BAYLEY** - Could we check with Mr Swain?

**Mr ABETZ** - Yes.

**Mr BAYLEY** - So the question is: I mean the Budget identifies a range of different cuts across all agencies, as has been much discussed, \$1.5 billion. But for Ministerial and Parliamentary Support, where ministerial legal fees come from, it's half a million dollars. So the question was: how are they applied in relation to future legal fees, but more specifically, how much is allocated in this Budget, versus last year's Budget, versus the years before's budgets?

**Mr SWAIN** - So on the latter part of the question, I think that we have to take that on notice, but on the first part of the question, it's a matter for the accountable authority, as it always is. So every accountable authority is accountable to achieve their budget; it's really up to the accountable authority to work out how best to do that, and in this case the accountable authority for Ministerial and Parliamentary Support is the head of DPAC.

**Mr BAYLEY** - Would you envisage that ministerial fees, because there's half a million dollars worth of efficiencies or cuts across Ministerial and Parliamentary Support every year for the forward Estimates, would you envisage that that proportional cut or efficiency is applied to how ministerial legal fees are calculated and expended?

**Mr SWAIN** - Well, I wouldn't have a view, really, because it's, it's a matter of detail for the accountable authority. Like, you know, I mean, Treasury is very interested in the budget process and getting the allocation right in the budget for outputs that reflects the executive government's priorities; but the management within the allocated budget then goes to the accountable authority.

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**Mr GARLAND** - Few economies in Australia are as reliant on their natural environments as Tasmania's. Our prosperity is inseparable from the health of the landscapes, waterways and ecosystems that sustain it. Our revenue from the tourism industry, agriculture, fisheries, aquaculture and clean energy brand all derive value from the environmental assets that underpin our prosperity. Given that dependence, can the Treasurer explain why the word 'environment' does not appear once in the budget speech, and whether the government has adequately accounted for the economic value of Tasmania's natural capital in its long-term fiscal planning?

**Mr ABETZ** - Well, clearly you wanted the speech to go longer than what, 37 minutes and 47 seconds, or whatever it was that I was told; look, it is one of those things that you mention certain things when and as they arise, and given the budget risks, the Middle East situation, et cetera, there was a greater emphasis in relation to those matters. Not all matters were touched upon, but the importance of the tourism industry was, the importance of mining and other aspects of Tasmania and our renewable energy was, and if I didn't use the word environment, and I didn't do a word search on my own speech, so I will take your word for that, but you can be assured that the environment, from my perspective, has always been fundamentally important for our well-being, for our state's wellbeing, and so having a sustainable environment, from my perspective, is something that I think is in every Tasmanian's DNA. If I didn't give full-throated expression to it, then I will see what I can do for next year's budget speech.

**Mr GARLAND** - I'll give you a hand, if you like.

**Mr O'BYRNE** - My question to the Treasurer is regarding redundancies. You've announced a round of redundancies for state growth and yesterday there was a broad-scale redundancy program announced by the Premier. What modelling has been provided by Treasury in terms of how much that round of redundancies will cost the state government?

**Mr SWAIN** - Through you, Treasurer. No, we haven't done that modelling.

**Mr O'BYRNE** - There's going to be a broad-scale redundancy round and you've done no modelling on how much that'll cost the state government?

**Mr ABETZ** - There will be a cost -

**Mr O'BYRNE** - Well, how much?

**Mr ABETZ** - and I think I mentioned in my budget speech that there will be some upfront costs in relation to rightsizing. But look, how much, we don't know because with voluntary redundancies it depends who puts their hand up and then whose hand is accepted for redundancy. Just because somebody puts their hand up under a scheme doesn't mean that that request will be accepted. The amount of money will depend on each individual person's package that they may or may not be entitled to in the event of a voluntary redundancy being offered to them.

**Mr O'BYRNE** - Yesterday the Premier - I think it was 500 redundancies between now and Christmas. Surely, you'll have an estimation of what a figure is. You're not going into a large-scale redundancy round moving significant amount of employees off the public books without having a clue how much that's going to cost.

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**Mr ABETZ** - Well, you use the term technology about 'a clue' - each individual department and agency will need to consider, for their own purposes, as to what is an appropriate number of redundancies, what is affordable and, of course, when they are paid their redundancy. Then there is that foregone wages bill as an offset and so to try to give you an exact figure, or even a rough figure at this stage, is exceptionally difficult.

**Mr O'BYRNE** - So, you acknowledge there's going to be some cost to the budget in terms of redundancy costs in the short term?

**Mr ABETZ** - Mm'hm.

**Mr O'BYRNE** - You've done no modelling about how much that will actually be or any ballpark. Isn't that just then just a more significant cut in this year's budget? So, therefore, the budget papers are already behind the 8 ball in terms of their honesty and their transparency?

**Mr ABETZ** - No. It was something I was trying to say in the other place yesterday. The Budget is a point in time. Then when things move on, it is very difficult -

**Mr O'BYRNE** - Right, and do changes.

**Mr ABETZ** - to then say, 'Oh, but you didn't say whatever'. Like for example, the budget papers, if you want to say that is not 'honest' - in inverted commas - in relation to the anticipated extra GST revenue coming from Canberra, because that was not known at the time the budget papers and numbers were settled. So, it is a snapshot -

**Mr O'BYRNE** - They're very different things, Treasurer. You've made a deliberate -

**DEPUTY CHAIR** - Order. Mr O'Byrne, I've actually given you a pretty good run.

**Mr O'BYRNE** - You've made a deliberate decision to go down the redundancy round without acknowledging the cost.

**DEPUTY CHAIR** - Mr O'Byrne, I need to move on.

**Ms JOHNSTON** - Treasurer, can you provide the general casino tax on licence fees over the last five years that government received - over the last five financial years - and what is predicted to be received in the forward estimates, please?

**Mr ABETZ** - The past five years - I think we will have to take that on notice.

**Ms JOHNSTON** - And what's predicted in the Budget for forward Estimates?

**Mr ABETZ** - The budget does have a figure. Are you able to, Mr Burgess?

**Mr BURGESS** - It's on table 6.5 of budget paper 1, Page 148 that shows the general casino tax and licence fees for this year and the budget year and forward Estimates. In terms of historical data, we will have to take that on notice because the Budget doesn't -

**Ms JOHNSTON** - Would you take that on notice, Treasurer?

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**Mr ABETZ** - Yes, of course.

**Ms JOHNSTON** - Thank you very much. Have you modelled out what an increase in where the rate would be if you went back to 25.88 per cent after you reduced it to 13.91 per cent in 2023? Have you modelled what that would achieve in terms of an increase in revenue? Have you considered an increase?

**Mr SWAIN** - No, we haven't modelled that. There is an infinite number of revenue variations we could model. We are usually guided by the policy intent of the government and the government hasn't expressed any intent to amend that tax.

**Ms JOHNSTON** - Treasurer, in 2023 we gave a couple of questions there -

**DEPUTY CHAIR** - Order, order, I've allowed you a couple of questions there. I do have to make a statement now before I go to the government. I will ask a question, but I do need to allow Mr Winter an opportunity to ask more than the allocated questions because we have three Independents at the table and if you give three Independents a question then for the government to maintain the ratio I need to allow the Greens and Labor to ask some continuing questions, so I will allow that. As time goes on, I will be balancing it up. I just make that point that I'll be balancing it up, if people believe the independents are getting too many questions, That's my point.

But for from the government's point of view, Treasurer, could you outline how the federal government's ongoing underspend and funding shortfall, which is impacting Tasmania's Health system, impacts the state's budget?

**Mr ABETZ** - Yes. There's no doubt that a large part of the deficit spending that the government has engaged in in recent years has been because of a lack of federal funding. And I've said this previously from both Coalition and Labor governments in Canberra. I say that in a bipartisan, factual way.

There was an agreement to provide a certain percentage of public health funding and then in recent times we were told to decrease our funding on public health to ensure that then the percentage Canberra provided reached that particular threshold. Given that public hospitals are demand-driven, that was not seen as a very smart approach.

We also have the ongoing problem with stranded patients in our hospitals - three wards full of aged care and disability care recipients ready for discharge, no longer required to be in hospital but remaining there because of the lack of places for them to go and the aged care, disability care, clearly federal government responsibilities. As I understand it, and medical experts may know it better than I do, but if people stay in hospital for longer than they need to, that in fact impacts their health, both physical and mental because they're in a sort of a no-man's-land, if I can use that term? There is an uncertainty as to their future, where they're going to go.

Also with GP clinics, et cetera, these are all matters, primary health care, for in the federal government and their neglect over the previous years has seen us backfilling that neglect, often with borrowed money, and regrettably, we are now in a situation where we can no longer do as much as we would have liked or that we did in the past because there is an imperative that we bring our budget back to sustainable levels.

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**Mr WINTER** - On Health infrastructure spending, Treasurer, table 7.4. in budget paper 1, it outlines a number of infrastructure commitments that the government has made.

I'll start with the North West Regional Hospital Mental Health Precinct. It's listed on Page 170 as a project that will be completed in 2031, cost \$47 million, but only \$40 million is actually allocated across the Budget and Estimates. The minister for Health has announced that effectively, construction is about to commence and yesterday, she told Ms Dow within the Health Estimates, 'It is incorrect in the budget papers.' Do you agree with the minister for Health that the allocation for the North West Regional Hospital Mental Health Precinct is incorrect in the budget papers?

**Mr ABETZ** - Two things, one, I was not aware of what the minister, Mrs Archer, said yesterday. And, I have learnt from bitter experience that when people say a certain colleague of mine has said something, often it's a bit more nuanced or different to what is presented. I'm willing to take you at face value on this one, but I'm not aware of it and I will take that on notice.

**Mr WINTER** - In terms of the allocation though, do you agree that there's only \$40 million across four years and, of that, there is only \$1 million allocated for next financial year? Is this an issue that was raised with you during the budget process? Is this a deliberate decision to underfund the project or is it a mistake as the minister said, 'Incorrect in the budget papers?'

**Mr ABETZ** - What occurs during the budget process is not something that I reveal. What we do reveal is the Budget as presented. Different people make different representations and ministerial colleagues do as well. As to the detail of that question, I wasn't aware of that interaction yesterday, so I can't comment on it without first doing some more research. The secretary might have further information.

**Mr SWAIN** - Treasurer, I believe there's some further insight in the notes to that table that indicate that the funding has been reprofiled and some of the cost is outside of the forward Estimates, so it isn't reflected in the Budget.

**Mr WINTER** - Well, I'm glad you raised that secretary, because the note says,

Existing allocations for this project have been reprofiled to future years to prioritise priority projects, including Digital Health Transformation and Huon Valley Health Precinct and Mental Health Hub.

What that's saying, correct me if I'm wrong, but that's saying that the funding for this project has been reprofiled elsewhere. On the other hand, you have the minister for Health announcing that it's about to start construction, when it's only got \$1 million in the next financial year. How can all of these things be true? Isn't it a fact that the minister for Health was right? This is incorrect in the budget papers.

**Mr ABETZ** - As I've said, I'll take that on notice unless one of the officials has more to provide.

**Mr SWAIN** - Treasurer, I was only going to say I think we're getting into territory that is for the Health minister.

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**Mr ABETZ** - Yes.

**Mr WINTER** - Well, funding allocations come through, as you said Treasurer in your answer, you get requests from ministers and you as Treasurer and through Cabinet make decisions on the Budget. In this case, we've got a Health minister out announcing the project's about to start. She said that the budget papers are incorrect and you don't have enough funding within your budget. What impact does this actually have? Are you actually going to appropriate enough money in the Budget to deliver these projects?

**Mr ABETZ** - As I said, I've taken it on notice. I'm not aware of what the minister said yesterday, and there are -

**Mr WINTER** - Has the minister raised this with you?

**Mr ABETZ** - If you've had the privilege of putting a budget together, there are literally thousands of line items that you might deal with. At the moment, you think you've got an understanding, you move on to the next line item, so when you try to cross-examine me at specific line items, I need to check records, et cetera. So, I'll take that on notice.

**Mr WINTER** - It's not just any old line item. It's a \$47 million mental health precinct for the north-west. It's one of the Premier's signature policies and it's actually not appropriately funded in the Budget. Your own Health minister says that the Budget is incorrect. What are you going to do about it?

**Mr ABETZ** - You have repeated that assertion now a number of times and I've repeated my answer that I will take it on notice.

**Mr SWAIN** - Treasurer, if I could, just a couple of general comments about the capital program and the way the budget process works in practice, is there is some prioritisation between projects, but that prioritisation occurs within the context of the cadence at which the projects can progress. So, that has to be taken into account.

**Mr WINTER** - But with this one, you have to tender. It's about to start construction.

**Mr SWAIN** - I'm just saying I don't know all the details of that project and what size constraints go to its delivery, but that would be a matter for the Health minister.

**Mr BAYLEY** - Treasurer, I want to talk a little bit about the Auditor-General because there was a very interesting conversation across the table yesterday with the Auditor-General. I'm conscious that - thank you - he's coming in and we'll have a conversation with him, but I think it's important we have a solid conversation with you ahead of that. I think we all agree, certainly on this side of the table, that the Auditor-General's work is incredibly important; whether it be the Human Resources Information System, Wilkinsons Point, TT-Line, it's been invaluable. The Auditor-General, it emerged yesterday, wrote to you on 4 April with a range of requests in relation to the Budget, and he tabled that letter in the committee upstairs yesterday; you wrote back to him on 17 April and basically made it clear that it's too late to change the Budget in relation to his requests.

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Can you explain that in the context of the budget process? I mean, Mr Winter's been asking some questions about the budget development process and how it is and it seems like there is capacity for some very late changes, so a full two months before the Budget is delivered to me at face value doesn't seem like it's too late. But, I guess two things, can you explain that and can you table the letter, your response? The Auditor-General politely declined to, and that's entirely appropriate, but it's up to you and entirely within your power to table that letter. So, would you and could you table that letter, and explain why it was -

**Mr ABETZ** - Sorry, which letter again?

**Mr BAYLEY** - Your response to the Auditor-General. My understanding is it was 17 April this year in response to his 4 April letter asking for additional funding and articulating his case in relation to the Budget.

**Mr ABETZ** - I'm just re-reading the letter to see if there's anything that would mitigate against tabling it.

**Mr BAYLEY** - Understood.

**Mr SWAIN** - I was just going to say, your timing is a bit prophetic. Two months is about the time that the numbers cut off before the Budget. The issue is you can't do it as a finish - there's a whole lot of steps that you can't do in parallel because they have to happen in sequence. And the first thing is, you can't calculate things like interest depreciation until you've got all the numbers. So that process happens about two months out, then that translates into an allocation for agencies that they then write the chapters of. So it is an ongoing surprise for people how early the numbers are settled in the budget process, which is why a compressed budget is so challenging.

**Mr BAYLEY** - But my understanding is we're talking you know, \$300,000 or \$400,000 for the Auditor-General, an incredibly important kind of role. Are you saying that it's sort of near impossible for that to be massaged in those last two months of the budget process?

**Mr SWAIN** - Pretty much yes, because you'd have to recalculate - everything that's then a calculated number would have to be redone. So indexation, interest on debt, et cetera, et cetera, and they are important numbers, as you would know, from the Budget themselves in terms of the end key metrics. So, yeah, this particular item I do remember and it was a very difficult time.

**Mr ABETZ** - Chair, I'm happy to table the letter. It was written to the acting Auditor-General in response and over the page reference is made to a document that is attached and that is the budget chapter that appeared in relation to the Auditor-General in the Budget.

**Mr BAYLEY** - As it appeared?

**Mr ABETZ** - Yeah.

**Mr BAYLEY** - Okay, thank you. A follow-up question, then, if I may, Treasurer. Both in Wilkinsons Point and other places the government has rested on the 'Long-held principle of public interest immunity for Cabinet documents.' So it's precluded or redacted certain bits of information, Cabinet documents, from the Auditor-General, which has obviously made it

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difficult for him to do his work. I heard the discussion yesterday in the other place, in the other committee, and he is adamant that the *Audit Act* has the capacity for him to receive those documents, receive them in confidence, understand them, not disclose them, et cetera. Why is it that the government continues to withhold Cabinet documents from the Auditor-General when there is provision in the act for him or them to receive it? Is it something you're willing to revisit to get and publicise legal advice on and actually change your approach to, to assist the Auditor-General in the work that they do?

**Mr SWAIN** - Well, I could just say that the *Audit Act* is currently being reviewed. We have given a number of pieces of advice to the Treasurer. It's been an iterative process involving consultation with the Auditor-General and also the PAC, among others, and yes, it's still a live policy issue for the government.

**Mr BAYLEY** - Do you agree, though, that it does currently provide the capacity for Cabinet documents to be provided to the Audit Office?

**Mr ABETZ** - Look -

**Mr BAYLEY** - Do you dispute that that's provided for in the act?

**Mr ABETZ** - The Cabinet, should it so wish, could disclose all Cabinet proceedings to whoever they wish, so -

**Mr BAYLEY** - It's good to get you to admit that. We've had that conversation in the House before.

**Mr ABETZ** - So that is, hypothetically, a potential; I would be surprised and I'd have to re-read the *Audit Act* - sorry, read the *Audit Act*, I'm not sure that I've actually read it in full - to see if there is such a provision to not allow him; but there has been a longstanding principle that Cabinet deliberations and matters of that nature are not disclosed.

**Mr BAYLEY** - From a public perspective, and I think that's kind of widely accepted, but the Audit Office is not the public; it performs a very specific task on behalf of the public, and certainly in the view of the Auditor-General, the *Audit Act* provides for that. So, I'm hearing you say the *Audit Act* is under review, and can you confirm that this is something that you will actively consider from a policy perspective going forward as part of that review?

**Mr ABETZ** - Look, all the propositions that are put to us in relation to the review of the *Audit Act* will be considered on its merits and a determination made, but I'm not in a position to tell you that the government is at this stage minded to change its mind in relation to that principle.

**Mr BAYLEY** - Do you think it should change its mind, as Treasurer - as Treasurer and responsible, you know, for the Audit Office?

**Mr O'BYRNE** - Chair.

**Mr ABETZ** - And look, the information-gathering powers, I've just been told, of the Auditor-General, are contained in the *Audit Act* as enacted in 2008, which I dare say was -

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**Mr BAYLEY** - I think that's what we were discussing.

**Mr ABETZ** - during a previous regime.

**DEPUTY CHAIR** - Okay, moving on.

**Mr BAYLEY** - Mr Swain had something to add, Chair.

**Mr O'BYRNE** - Chair. Thank you.

**Mr BAYLEY** - Please.

**Mr SWAIN** - Through you, Treasurer, I was just going to add that the act has been reviewed against the eight audit independence principles from the International Organisation of Supreme Audit Institutions. So, the methodology picked up is one that is supported by the Auditor-General, as I understand it, and auditors around the nation, and it is looking at the level of independence across a whole range of policy decisions. This is one part of one area; but in general, the advice that we have given to the Treasurer will, in aggregate, increase the independence of the Auditor-General against that scale.

**Mr BAYLEY** - Thank you.

**Mr O'BYRNE** - Treasurer, your government in previous budgets has provided industry assistance packages to various manufacturers in Tasmania. I've been getting some messages this morning from Boag's Brewery workers, and I understand that the owners of Boag's have made a decision to close the Boag's production brewery this year. Are you aware of that?

**Mr ABETZ** - No, I was not aware of that. My colleague, minister for Business and Industry, may have been made aware of that, minister Ellis, but unless my memory is - no, not only myself, but my office was not aware, either.

**Mr O'BYRNE** - So, I understand they will be announcing that today -

**Mr ABETZ** - Right.

**Mr O'BYRNE** - or workers have been told this morning that production at Boag's Brewery will close down. Your government provided industry package assistance to Boag's Brewery for their visitor centre; did you in that process connect any ongoing production at Boag's Brewery to guarantee it as a part of that commitment to Boag's Brewery?

**Mr ABETZ** - Look, that I don't know; I would need to take that on notice. Yes, it's a question for that relevant minister.

**Ms JOHNSTON** - Treasurer, on 1 July 2023, the tax rate for EGMs and casinos went down from 25.88 per cent to 13.91 per cent, including 3 per cent community support levy. That was done as a government decision to compensate, I would say give a sweet deal, to the casinos in relation to the change in the monopoly situation they had. Former treasurer, Michael Ferguson, in a letter in 2024 indicated to the Farrell Group that there has been significant additional revenue in gaming hotels that they have enjoyed since 1 July 2023 reforms to casinos; have you given consideration to removing the significant reduction in casino tax that

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was provided to the casinos in 2023 as a result of the fact that they haven't lost the revenue that they're predicted to lose as a result of the reforms?

**Mr ABETZ** - No, I haven't; but I would have to check the assertions embedded in the question as to whether -

**Ms JOHNSTON** - The former treasurer made it very clear that the casinos didn't lose revenue as a result of the reforms to the industry; in fact, that they have achieved a significant additional revenue, so they've had a significant windfall, not only from the additional revenue achieved from the reforms, but also through the significant reduction in the tax rate. Would you consider, as part of your fees and charges review, in terms of increasing own-source revenue, increasing casino tax to at least the 25.88 per cent prior to 1 July 2023, given the fact that they've lost no revenue and so the compensation is not required?

**Mr ABETZ** - Well, I will need to check those assertions as to whether that is the case and get back in touch, but -

**Ms JOHNSTON** - If those sessions were correct, would you give it consideration?

**Mr ABETZ** - That's not on our agenda.

**Ms JOHNSTON** - Even if those assertions were correct, and they are, I have the documentation. Would you not give that consideration as a way of increasing own-source revenue, a very simple way, it wouldn't hurt any other Tasmanians, any vulnerable Tasmanians, other than the Farrell family and the Farrell Group, by increasing revenue to casinos?

**Mr ABETZ** - Mentioning individuals like that is, I think, highly inappropriate.

**Ms JOHNSTON** - It's a fact, Treasurer, that it will only impact on a casino. They only have one casino.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - Your referring to families and individuals is just not appropriate.

**Mr GARLAND** - Treasurer, the regions do the heavy lifting when it comes to generating wealth. The north-west and west coasts generate a proportionally large share of Tasmania's exports and host much of Tasmania's productive industry. Treasurer, has the Treasury undertaken any analysis comparing GDP by region against each region's share of state infrastructure expenditure, and if so, what does that analysis show?

**Mr ABETZ** - This is starting to sound a bit like National Party policy in Western Australia.

**DEPUTY CHAIR** - Royalty for regions.

**Mr ABETZ** - That's the one, royalty for regions; I think this is where we might be going. We are Tasmania. We are a state, and if there are uplifts in certain areas because of nature's gifts, as in mining opportunities, I think it might be appropriate to share it with the rest of Tasmanians, but that said, have we done such an analysis, secretary?

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**Mr SWAIN** - No.

**Mr ABETZ** - But look, having said that, fully acknowledge that the north-west in particular and the electorate of Braddon, on its current boundaries, is an exceptionally productive and wealth-creating sector for our state.

**Mr SWAIN** - The only thing I could add, Treasurer: I know there are significant capital programs across roads and across TasNetworks and Hydro in relation to the capital that is in the north and north-west, but it's not because it's strictly in the north or north-west; it's just because they are the priorities in those infrastructure spaces at this point in time.

**DEPUTY CHAIR** - My question, Treasurer: can you provide an update on the strength of Tasmania's economy under this government?

**Mr ABETZ** - We have had some substantial benefits.

**Mr WINTER** - I think he has caught you here: ka-pow.

**Mr ABETZ** - I can understand why Mr Winter would want to interrupt, because the story for Tasmania's economy is exceptionally good historically, and currently comparatively. We have historically low unemployment; business confidence is good; business conditions, according to the National Australia Bank, when you have a look at their analyses, Tasmania is doing well. I think over the forward Estimates we're looking at 8 per cent, over the forward Estimates we're looking at 8 per cent growth. So there is a lot of confidence in the Tasmanian economy by those that generate the wealth and we as the government seek to try to leverage that, and so things like the stadium, Bridgewater Bridge, they are all important enablers for our state, and so we seek to make our contribution in relation to that. Our task, along with everybody else in this state, is to try to make sure that we have as strong an economy as possible. As I say from time to time, it's not because we want to win a prize in economic purity, but it's the social dividend, and the benefits that flow from that, which enables us then to fund the services that the Tasmanian people need and want.

**Mr WINTER** - Since you've raised the issue, Treasurer, your employment forecasts for 2026-27 is for negative half-a-percent growth, so job losses over this coming financial year. Since August last year, 6600 jobs have come out of Tasmania's economy, which is around the same amount as came off during the Asian Financial Crisis in 1997, the Global Financial Crisis in 2008-09. How do you line up your own forecast for job losses next financial year, the 6600 jobs that have already been lost, with such a rosy economic outlook?

**Mr ABETZ** - Look, it is the trajectory and it stands to reason that there will be small dips, and then peaks -

**Mr WINTER** - It's not a small dip, it's 6600 jobs lost.

**Mr ABETZ** - in those figures, and it's never a straight line, a trajectory, and there are various matters that impact in relation to our employment. But there is no doubt that historically Tasmania is still enjoying a low unemployment rate.

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That said, we don't self-congratulate ourselves other than to say that historically and on all the indicators things are looking good. But it's one of these things in matters economic that there's never a finishing line. The finishing line always recedes. The job always needs to be done. There is always the need to look for new projects to help stimulate the economy, to drive the economy, to achieve good outcomes. That's why we were very pleased to see the Labor Party come on board in relation to the stadium. Those economic enablers are very important and it was good to see that from the Labor perspective, and we are always on the lookout to help stimulate our economy and encourage private investment as much as possible.

**Mr WINTER** - So you've said the outlook's looking positive. I've said 6600 jobs have been lost in nine months. Our employment to population ratio is last. Our employed people monthly change is last. Unemployment rate, we rank last. Underemployed rate, we're last. The participation rate, we're last. And you've said we've got a pretty positive outlook.

I think you'd agree that the economy, a big part of it is around confidence. Do you see the correlation between those 6600 jobs that have been lost since August last year and your government's decision to sell out greyhounds, salmon and forestry as part of your deal to form government with the Greens?

**Mr ABETZ** - Look, I know where you stand in relation to the issue of greyhounds. I don't think people will make investment decisions about building a new hotel, or investing in agricultural land, or pivot irrigators, and things of that nature, based on what our policy may or may not be in relation to greyhounds. I just don't see that as being part of -

**Mr WINTER** - The trouble is they don't feel they can trust the government anymore.

**DEPUTY CHAIR** - Order, allow the minister to finish please.

**Mr ABETZ** - as being part of the situation and the figures that you read, it would be interesting if you were to read those figures out for 2014 when Labor and the Greens lost office and where it is now -

**Mr WINTER** - It hasn't been this bad since the Global Financial Crisis.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - and you will see that there has been a real growth in employment from 2014 to 2026, so you can pick figures here and there out of the statistics, but as I said before, the trajectory is still there.

**Mr WINTER** - Every single figure in the ABS data, we're last.

In terms of our confidence going forward and the ability for people to invest, the government's made a number of commitments at last year's election and we talked last week in the House about the commitment that the Premier made to the north-west and to the upgrades that are simply not in the Budget, but the other one that was made at the Liberal Party campaign launch was to the Northern Health Complex to be built at the Launceston General Hospital, and I'll read what the Premier said at the campaign launch. He said:

Construction is set to commence in 2028 following the completion of the new dedicated Northern Mental Health Precinct at Frankland Street, and the new

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Northern Health Complex will be funded through reprioritised capital from Marinus from the 2025-26 Budget and will form part of our capital investment profile in years not currently included in the Budget and forward Estimates.

Treasurer, when I look at that media release, that statement and your entire campaign launch versus what's actually in the Budget, I find within the Budget for a \$240 million project you've only included \$9.2 million towards a \$240 million project. Is this another broken promise from the Premier?

Page 170 on BP1.

**Mr ABETZ** - Which line are you on?

**Mr WINTER** - Table 7.4 on Page 170, the Launceston General Hospital Redevelopment Northern Health Complex. The total project is \$240 million. The Premier's announced that we'll start building in 2028, and yet within the Budget you only have \$9.2 million.

Is this another broken promise?

**Mr SWAIN** - I'm looking at the profile of that project which goes out to 32, which is outside the forward Estimates. I would be guessing and it's a matter for the Health department, Health minister, that there is significant scoping and development required for that project given the timeframe for the project.

**Mr WINTER** - I understand. I'm sure that's the reality, but what the Premier promised was that they'd start building in 2028. Is this another broken promise from the Premier?

Geez, they're stacking up.

**Mr ABETZ** - I'll ignore the commentary, but with these projects, undoubtedly, there is planning, development applications, et cetera. There is a profile of funding and you will see for 2029-30 there is a considerable uplift, if I'm on the right line, to \$8 million.

**Mr WINTER** - It's a \$240 million project, Treasurer; \$8 million isn't going to go very far.

**Mr ABETZ** - Similarly, you could run that line with virtually any other project, be it the stadium, a considerable -

**Mr WINTER** - You have the funding in the Budget for the stadium, but there's no money for this.

**Mr ABETZ** - In the first few years you spend money on planning, designs, development applications, et cetera, before the large lumps of money -

**Mr WINTER** - You've launched your entire campaign on this.

**Mr ABETZ** - I thought we had launched the whole campaign on greyhounds. Today it's the northern hospital, last week it was the north-west situation -

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**Mr WINTER** - Your campaign launch - you launched this policy, and it's not in this Budget.

**Mr ABETZ** - That's the problem with engaging too much hyperbole, Mr Winter. There can only be one thing -

**Mr WINTER** - Are you denying that you launched your campaign with this policy?

**DEPUTY CHAIR** - Order, Mr Winter. One more question, Mr Winter, for the Treasurer and I'll move it on.

**Mr WINTER** - This is yet another project that's been announced by your government during the 2025 Election. We have TasInsure, we have the Launceston General Hospital Redevelopment announced at your campaign launch; you've got the new precinct in the north-west, which is missing around \$114 million in funding. So this is now an enormous Health funding black hole that's been created by the Premier and not funded by you. My question is: is this deliberate by you and the Premier, or did the Premier ask for the funding and you said no?

**Mr ABETZ** - These are all Cabinet decisions, as you well know, and I can repeat that each and every time you try to ask a question to split one minister off from another, but these are all Cabinet decisions, and I think the secretary was about to make a comment.

**Mr SWAIN** - I was just going to make the comment that, as I think has been discussed in this place on numerous occasions, the capital delivery, across the general government sector, has typically run about 20 per cent under what's in the budget; that's a combination of capacity of agencies and industry. So in budget committee making decisions, there is consideration of what can actually be delivered and what the capacity of that agency is.

**Mr WINTER** - If only the Premier had thought of that when he made the announcement.

**Mr SWAIN** - So in relation to the Launceston General Hospital, there is also a number of projects going on in that one location which is also an operating hospital. So there is both sequencing issues at play here and capacity to deliver, and also there is choices being made across allocating capital dollars.

**Mr BAYLEY** - I want to go to what looks like another separate broken promise that flows from this letter you've just tabled in relation to the Auditor-General: so the letter acknowledges that on 3 December 2025, to support the delivery of at least six performance audits per annum, the Auditor-General would be funded, and several options were put up. Clearly, judging by both this letter and the Auditor-General's comments yesterday, the option that he believed would adequately fund them to deliver those six audits, in line with the Auditor-General's 2026-27 annual plan, wasn't delivered; it was under what was required. Why is it that you have broken your commitment to the Auditor-General on 3 December - you and the Premier, mind you - to provide them with enough funding to deliver those six audits? They clearly haven't got the funding that they believe they need to deliver on that work.

**Mr ABETZ** - That is what they believe, in fairness -

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**Mr BAYLEY** - You know better?

**Mr ABETZ** - An audit, you know, there's no such thing as an audit, full stop. The scope of it, the extent of it, how much, how much of your personnel is deployed for a particular audit, that is all determined by the Auditor-General; and might I add, the office of the Auditor-General has seen an almost 30 per cent increase in full-time equivalents in his office since March of last year. So there has been a considerable uplift there, and you know not all agencies will get everything that they ask and request. If I recall correctly, and somebody might be able to assist, the Auditor-General in fact undertook more -

**Mr SWAIN** - I think it was seven.

**Mr ABETZ** - Yes seven, in the previous year, audits and so we believe that the request for six, which seemed a reasonable figure, that the scope, extent, and how much you spend on each audit, is something that the Auditor-General will need to determine.

**Mr SWAIN** - I was just going to say: certainly in terms of Treasury's advice to the Treasurer, the importance of the Auditor-General's function is acknowledged, and the importance of that independence. It's an incredibly important function for the democracy of Tasmania; but at the same time, independence can't go as far as setting your own budget. I know this is an element of the Budget, so it's a delicate matter between supporting the independence of the Auditor-General, but you know, every party has an interest in their own budget, including the Auditor-General.

**Mr BAYLEY** - Of course, but you'd have to agree that the Auditor-General has done some pretty profound work over the last year or so, and some of it has highlighted some significant failures in the administration of either government and its work, whether it be around Wilkinsons Point, the way it's managing certain things, the TT-Line, the information system as well; I mean this looks like a deliberate strategy to starve the Auditor-General, to constrain its capacity to do that similar kind of level of work into the future.

**Mr ABETZ** - With a 30 per cent increase in FTEs since March last year, I hardly think -

**Mr BAYLEY** - With not delivering the budget it believes it needs to do the work.

**Mr ABETZ** - I hardly think that assertion can be made.

**Mr WINTER** - Explain he brought consultants back into staff.

**Mr BAYLEY** - That's right, yes. He was using consultants previously.

**Mr SWAIN** - I was just going to note, through you, Treasurer, that if you go to table 8.2 on page 70 of budget paper 3, it will indicate the expense line for the Audit Office goes from 11.1 million to 12.5 million over the Budget and forward Estimates.

**Mr BAYLEY** - That doesn't preclude the fact the Auditor-General believes it's still inadequate in order to do the work that he's identified.

**Mr ABETZ** - I reckon if we gave him double the money, there may well be a request for more, because, you know, and look -

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**Mr BAYLEY** - I think that's disrespectful, Treasurer. I mean, this is the Audit Office -

**Ms JOHNSTON** - Chair.

**DEPUTY CHAIR** - Moving on. Ms Johnston.

**Mr BAYLEY** - clearly underfunded to do its work.

**Ms JOHNSTON** - Chair.

**Mr ABETZ** - Look, you think we believe he's appropriately funded.

**Ms JOHNSTON** - Treasurer, budgets are all about choices, and Treasury has repeatedly, in a number of documents said that budget repair needs all levers pulled, but your Budget has pulled particularly hard on the expenditure cuts lever, and it's particularly felt by the community sector who's seeing a \$33 million reduction over - in one year in their funding, and that is felt particularly by those vulnerable Tasmanians who rely on the community sector who are already run on the smell of an oily rag.

You've barely touched increasing own revenue, and in fact, the casino tax rate has not changed, and you seem to not be willing to look at that particular issue. If you look at the forward Estimates in terms of what could be achieved with the casino tax rate, if you increased it back to 25.88 per cent, removing the discount that your government provided them in 2023, you could achieve an additional \$10 million each year. That's significant for the community sector. Why are you protecting Federal Group's revenue streams and impacting on community services cuts, in particular, and vulnerable Tasmanians who rely on those services?

**Mr ABETZ** - There are a whole lot of issues in that question. There is no doubt that there are three potential levers: reduce expenditure, grow the pie, and increase revenue. Part of growing the pie, for example, is a stadium which you oppose.

**Ms JOHNSTON** - I'm asking about casino taxes, Treasurer.

**Mr BAYLEY** - All evidence says it's not going to grow the pie.

**Mr ABETZ** - Therefore, you are deliberately opposing one of the areas -

**Ms JOHNSTON** - There's no evidence that it will, but I'm asking about casino taxes.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - the Treasury has been talking about: growing the pie. Expenditure is clearly the issue confronting the government. The revenue has increased, expenditure has outpaced the increase of the revenue and therefore it is appropriate that we have a look at expenditure. We went to the last election saying no new taxes -

**Ms JOHNSTON** - It's not a new tax.

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**Mr ABETZ** - and we intend to abide by that and, you know, Treasury gives advice, we decide and from a policy point of view we want to restrict the impost on our fellow Tasmanians by way of revenue increases as much as possible.

**Ms JOHNSTON** - Would you agree that if you had pulled harder on the revenue lever, in particular with casino tax rate, that the impact would be therefore less on the expenditure cuts to community sector organisations who support those who are particularly impacted by EGMs and casinos?

**Mr ABETZ** - Look, there's always the counterfactual to these things which are often not taken into account: if you increase revenue, if you increase taxation, there is a consequence elsewhere with, let's say, in the particular example you use, it stands to reason that that may well then impact on their future investment in Tasmania, on their total workforce, because at the end of the day -

**Ms JOHNSTON** - The Federal Group are experiencing significant additional revenue.

**Mr ABETZ** - they will want a return for their dollar, and that is where you have to balance these things. It's not as though you can just increase revenue and taxes and there be no consequence -

**Ms JOHNSTON** - So, you're protecting Federal Group's revenue and cutting community services.

**DEPUTY CHAIR** - Ms Johnston, order.

**Mr ABETZ** - There be no consequence elsewhere in the economy - these things ultimately balance out, and then you have the consequences, and that is what I say to my friend - no, I will desist on what I was about to say.

**DEPUTY CHAIR** - Mr O'Byrne, next question.

**Mr ABETZ** - Might have fired you up for your -

**Mr O'BYRNE** - Thank you, Chair. Treasurer, the budget papers outline a range of risks moving forward on the Budget. It identifies some projects and obviously the GST issue, but one of the biggest risks and if you excuse the metaphor, the biggest hole below the waterline to the Budget, arguably is the behaviour of some GBEs and your requirement to provide massive capital injections when it's unexpected.

You're a shareholder minister, and I understand you've only been a Treasurer for a period of time, but the role of Treasury in managing GBEs is crucial. What resources have you and do you apply to making sure that GBEs are not considered a constant and consistent threat to the Budget moving forward?

**Mr ABETZ** - Look, a very good question and we have the governance reforms that are still working their way through the parliament. I can let you know that when and if at all possible, I attend the regular - usually about monthly - meetings of the various GBEs and if I can't personally, then a staff member does, and we - or I do, and the shareholding minister - ask the questions that I believe need to be asked should be asked.

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That said, we do rely on the integrity of the boards and the CEOs to fully inform us and from time to time get very good advice from Treasury and TASCORP in relation to any borrowings, et cetera, and so we are fully briefed in relation to that. But your clever analogy about below the waterline, potentially making reference to a particular GBE that travels across the water; I still recall that when I became minister for Transport, the first written incoming brief did not mention Devonport and you know, that was one of these days I might say what I actually think of what occurred then, but my task was to try to overcome and I think that has been overcome substantially by the new management and new board of TT-Line.

**Mr BAYLEY** - And \$500 million.

**Mr ABETZ** - And look, the interjection from Mr Bayley, as I've tried to explain in the past, the previous board thought that a glass might be good enough when in fact a whole water jug was needed, and so it wasn't a cost blowout as such in relation to the port, it was just a complete misunderstanding of what was actually required by the former board and CEO. As a result the department and the minister at the time were very badly informed in relation to all these matters.

**Mr O'BYRNE** - Notwithstanding that answer and your commitment moving forward, the treasurer before last was not only the treasurer, but he was the infrastructure minister as well, and he oversaw this absolute disgrace and there's no other way to describe what has happened in Devonport and with TT-Line apart from being an absolute disgrace. What were Treasury doing, and what advice were they providing to try surely - I mean, everyone knew that we were hurtling towards a very serious moment for the budget and for those companies. What were Treasury doing at the time?

**Mr ABETZ** - Look at the time that was before my time, but what I would - and I don't want to pass the buck too much but in relation -

**Mr O'BYRNE** - But you're going to have to, in some respects.

**Mr ABETZ** - But the actual infrastructure build and oversighting of that I would have thought would have potentially been more a DSG issue rather than a Treasury issue.

**Mr SWAIN** - If I could. Treasury did give advice on that matter and raised concerns around whether the build was on track, but ultimately the responsibility for capital projects rests with the board and the entity. Having said that, we have had a good look at the way we're giving advice and particularly how to absolutely minimise the prospects of further events like this occurring and there's a few things that have come out of that. In relation to the governance reforms, there's a focus on the performance of the boards, and I'm personally putting a lot of effort into participating in selection processes for boards to make sure we get good boards.

There is also, we've provided some advice to the Treasurer around in the event of an equity payment, the need to have an equity insurance plan, which is effectively mirroring what would happen in the private sector. No-one gives you equity without requirements to demonstrate that you're making -

**Mr O'BYRNE** - You dividends, though.

**Mr SWAIN** - Sorry?

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**Mr O'BYRNE** - You get dividends, though, don't you? That's a similar thing, is that what you're saying?

**Mr SWAIN** - No. So, what we're saying is we're introducing a concept in our advice to the Treasurer, that equity should come with an assurance plan where you demonstrate that you are making the changes to your business to ensure that you'll be able to operate within the payment you get. But that's an after-the-fact event.

We're also having a look at how the budget process runs, and to provide more advice into that process around how the relative need for different businesses for equity, because there's also a budget challenge with the amount of equity that's going into the businesses is more than the budget can accommodate. There needs to be some containment of that, and one of the considerations in that containment would be the balance sheet position of the businesses before major investments are made and whether they've got the headroom.

Because if you reflect on the TT-Line event, one of the issues was the major assets of that business, the two wharves and the two boats, were recapitalised more or less at the same time and that was a structural risk to the business. We're also having a look at that in relation to the plans of any other businesses, what they're taking on relative to their balance sheet capacity.

There are a range of changes to the way we're giving advice, but you could probably sum it up with saying we're taking a more portfolio view and trying to draw out those key risks earlier. Like everybody else, I could say it would be nice if there was more resources in that sector, but the key thing, really, is the application of the revised governance arrangements that are coming through in the legislation; in particular the changeover of boards on a timely basis, the board evaluation processes, and deeper consideration of capacity of businesses to take on major projects before they're committed.

**Mr O'BYRNE** - I appreciate the update. Just one more quick follow-up. I appreciate the follow-up in terms of what's happening from now on. So, are you saying, and correct me if I'm wrong, that you that Treasury provided advice to the then treasurer flagging concerns, major concerns? What was the then treasurer's response?

**Mr SWAIN** - What I'm saying is that Treasury, as a normal course of business, would give quarterly, half-yearly, annual updates, as we do on all the businesses and if we see a capital project or a major undertaking that is falling behind schedule that will be flagged - and it was in this circumstance - then, what I would normally expect to happen, is that would assist the minister in their dealings with the business and the questions they ask the business, who ultimately is accountable for the capital delivery. That's the process and that's the process that occurred.

**DEPUTY CHAIR** - Next question, Mr Garland.

**Mr GARLAND** - Minister, what total revenue does Tasmania currently receive annually from salmon lease arrangements, and has Treasury modelled alternative royalty or lease pricing structures comparable to jurisdictions such as Norway?

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**Mr SWAIN** - Look, it's the same answer as I would have given earlier. There are an infinite number of things we could model. We will generally - either we'll get requests directly from the government through the Treasurer, we may make proposals to the Treasurer, but would test whether there is policy interest from the Treasurer before we would expend resources on that task. Otherwise, there's literally, you know, thousands of things we could model.

**Mr GARLAND** - And what was total revenue do we currently receive from salmon?

**Mr ABETZ** - Look that may need to be taken on notice.

**Mr SWAIN** - It'd be part of - oh, sorry, Treasurer.

**Mr ABETZ** - Because we get a fair swag of payroll tax I would imagine out of all three companies. We get the roughly \$10 million that goes into NRE for the -

**Mr WINTER** - Regulation.

**Mr ABETZ** - Yes, thank you Mr Winter, yes, the regulation of the sector: then there are the lease fees for the use of the water. I'm sure if you had them here, they could tell you all the other costs and contributions they make by way of rates payments - and I assume; I don't know.

**Mr BURGESS** - Yes. I think they do. No, I don't think they do, because they are primary production.

**Mr ABETZ** - No, primary industry, yes, but they do have offices in the Marine Board Building, for example, where they feed fish from in Western Australia, of all places, with modern technology. So look, I will take the question on notice, and without giving the officials too much work, I dare say the amount they pay in payroll tax, et cetera, might be sort of commercial-in-confidence for them. I will see what I can do for you.

**Mr GARLAND** - It would be fair to say, like -

**DEPUTY CHAIR** - Thank you. That's two questions.

**Mr WINTER** - Ms Dow has got one.

**DEPUTY CHAIR** - Before Ms Dow, I wouldn't like to cut the government out of an opportunity to maybe - a knockout blow for the Treasurer. Treasurer, can you please outline how the government's Buy Local policy is supporting Tasmanian businesses and helping to drive the jobs and economy - economic growth across the state?

**Mr ABETZ** - That is a very important policy that I trust all people around the table support, because it's ensuring that, as much as we possibly can, we back in Tasmanian businesses and as a result, Tasmanian workers, and as part of our 2030 Strong Plan, we increased the local weighting in our Buy Local policy from 25 to 30 per cent from 1 August 2024. That means Tasmanian businesses no longer need to complete an economic and social benefit statement when bidding in request for quotation processes where all participants are Tasmanian businesses.

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The results speak for themselves: in the March quarter 2026, Tasmanian businesses were awarded 96.6 per cent of the total value of contracts valued at \$50,000 or more, following an open procurement process, with a combined value of \$110.5 million. In the four quarters ending 31 March 2026, from all procurement processes, open, selective, and direct, with a value of \$50,000 or more, Tasmanian businesses were awarded 72.4 per cent of the number of contracts awarded, with a combined value of \$975.8 million. When we took office, it was just 63.3 per cent of contracts were awarded by the government in an open procurement process greater than \$50,000. So, that has been uplifted substantially, Chair. We will keep monitoring it, but we make no apology for backing in Tasmanian workers and the businesses for which they work.

**Ms DOW** - Treasurer, have you asked your chief of staff or any of the other staff in your office if they sent the email revealing the honourable Ruth Forrest's personal information to Pulse Tasmania?

**Mr ABETZ** - Yes, I have, and the answer is no.

**Ms DOW** - Are you sure? Because they have form.

**Mr ABETZ** - Excuse me. That should be withdrawn. That is a reflection on staff. That is a reflection on staff.

**Ms DOW** - I should say, you as minister have form.

**Mr ABETZ** - Well, that is even worse.

**Ms DOW** - I withdraw that as well, then.

**Mr ABETZ** - No, it's just as bad because that, I don't think you could assert, has ever been my style.

**Ms DOW** - Have a look at my Facebook page.

**Mr ABETZ** - Sorry, I've never been on your Facebook page. I didn't even know it existed.

**Ms DOW** - You took the information from it without permission.

**DEPUTY CHAIR** - Order, order. Unless you have a question, I will move on.

**Ms DOW** - I have one other question: last week in parliament you provided updated information about *Spirit V* and the storage costs in Scotland. There were still outstanding costs associated with that -

**Mr ABETZ** - Wages.

**Ms DOW** - with wages - are you able to provide the committee with that updated information?

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**Mr ABETZ** - Not here. That is ultimately for the Transport minister and I was answering, if I recall correctly, on behalf of the Transport minister when I was giving the updated information in the parliament. Then we have the scrutiny committee as well where you can get that information, but I am sure that as soon as that figure is available, it will be made available.

**Ms DOW** - Thank you.

**Mr WINTER** - At least we have more in our allocation, if we do. The budget paper 4 this year - very helpful, a good edition, budget paper 4 - lists the election promises of the government, and in that document on Page 99, under Election Commitments, the words say:

The 2025-26 Budget was prepared in a compressed timeframe following the 2025 Election and did not include funding for every election commitment due to a combination of administrative and timing constraints.

The 2026-27 Budget includes funding for all remaining 2025 Election commitments.

Given the fact that the Budget does not include funding for the North West Hospitals Masterplan, or the full funding for the upgrades to the LGH announced at your own campaign launch, wouldn't you say that that statement in the budget papers is false?

**Mr ABETZ** - No. I think we've already gone through the Launceston situation where funding has been made available for the planning, et cetera, and that certain things will then be beyond the forward Estimates; there's also, as I understand it, the section in the budget papers that deals with contingency matters where we have called on the federal government to partner with us.

**Mr WINTER** - The policy expressly said, in the Premier's statement about the North West masterplan stage 1, that your government would fund it irrespective of any federal funding; don't you accept that it's a broken promise -

**Mr ABETZ** - No.

**Mr WINTER** - and not included in the Budget, as you had claimed?

**Mr ABETZ** - No, because we are still very much hoping that your federal colleagues - and you prevail on your federal colleagues to partner with us in relation to that.

**Ms DOW** - The Premier said that he'd fund it regardless, Treasurer.

**Mr WINTER** -

We will continue working with the Federal Labor Government to secure a funding partnership for these important upgrades, but in the absence of any leadership from Canberra, we will lock in funding to provide certainty to the north-west and ensure these important projects will be delivered.

And yet the project, not even - at least the LGH one, there's a line item that's massively underfunded, but this one isn't even a line item.

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**Mr ABETZ** - The North West Regional Hospital -

**Ms DOW** - It's in the table that's calling -

**Mr ABETZ** - So we are willing to allocate, what, \$37 million to that project, contingent on the federal government providing \$37 million.

**Mr WINTER** - The Premier committed \$114 million in additional funding and he said he would fund it irrespective of what the Australian Government did; do you accept that's a broken promise?

**Mr ABETZ** - No. We still haven't given up on the federal government.

**Mr BAYLEY** - Treasurer, in the fiscal strategy measures to be achieved by 2032-2033, there's a line in budget paper 1, page 59. There's a line that says:

In parallel, a program of systematic, rolling reviews of service delivery models will support the delivery of high-quality services within sustainable cost structures.

**Mr ABETZ** - Do you know - you are about two-thirds down.

**Mr BAYLEY** - Page 59, budget paper 1, talking about 'systematic, rolling reviews of service delivery models'; alarm bells are ringing for us about the 'rolling reviews of service delivery'. It begs the question as to whether agencies will have to find additional cuts on top of the \$1.5 billion that are already identified in the forward Estimates in budget paper 4. Can you explain what these 'systematic, rolling reviews of service delivery models' are, will be and are seeking to achieve?

**Mr ABETZ** - Look, the next paragraph down tells us that the first of these reviews or analyses will occur within the Department for Education, Children and Young People; what we're seeking to do is ensure that we get the best possible value, and best possible outcome for the investment made by the people of Tasmania. So, having that analysis, can we deliver services better, more efficiently, drive the dollar further? That makes, I would have thought, exceptionally good sense and we are always on the lookout to ensure that we can drive that. Secretary?

**Mr SWAIN** - I was just going to address the - so this is relating to the efficiencies that are in this Budget.

**Mr BAYLEY** - Budget paper 4 towards the end of it?

**Mr SWAIN** - Yes, captured in chapter 19 of budget paper 4.

**Mr BAYLEY** - So, this is about identifying those efficiencies?

**Mr SWAIN** - Yes. This is about that there's some areas of government which have known significant cost pressures under the existing model. Out-of-home care is a good example of that. There's a recognition that we need to move towards working within a funding envelope

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that can be afforded, but you still need to tap into the expertise of the agency which is accountable to its portfolio minister. So, these are contemplated to be reviews that will involve Treasury, DPAC and the portfolio agency. The first one would be Education. They have some significant known challenges, particularly in out-of-home care and the idea is to have a look at the model as well as immediately achievable savings in things like their corporate area.

**Mr BAYLEY** - So, I mean, delivery costs have gone up. DECYP's a good one to point to because delivery costs have gone up. We know that the needs to respond to the commission of inquiry have put additional pressure on that agency in particular, and yet the agency, across the board, needs to find efficiencies, it has to find savings, it's having cuts taken to it. Can you just confirm, these rolling reviews are not about finding more financial savings on top of the efficiencies already identified in budget paper 4, this is about how the agency does its work and delivers its services within that budget envelope?

**Mr SWAIN** -Yeah, it's about achieving fully the existing savings that are identified in the Budget and recognising that there are some agencies that have specific growth pressures in costs. So, I think, in this Budget the Treasurer has reflected a prioritisation of peak debt. Peak debt requires management of operating expenditure, capital and equity - the most important of which is operating expenditure. And, this is identifying that where there are growth pressures in costs and also the significant savings that are built into this Budget. In some cases, we might need to go back and look at how things are being done.

**Mr BAYLEY** - Let's stick with DECYP, for example. What you're saying, I guess, I heard previously in answers in parliament that the heads of agencies would be responsible for finding these efficiencies, identifying the job cuts, et cetera. Are you saying now that there is a broader process that involves other agency heads to work with each department to find those savings, well, to make the savings needed because of the budget cuts?

**Mr SWAIN** -To assist the agency, so, no, in my view -

**Mr BAYLEY** - Is it a decision-making review or is it an analysis and advice review?

**Mr SWAIN** - No. It has to identify options and advice for consideration by the department of that portfolio minister.

**Mr BAYLEY** - Right. When it comes to the commission of inquiry, for example, how would this process identify - cross-pollinate, or at least talk to the recommendations of the commission of inquiry? Like, for example, the commission of inquiry has been really clear about what needs to be done, yet there are efficiencies identified to the department. How will this process, this systematic rolling review, make sure that the recommendations of the inquiry are properly and adequately considered in the review and accommodated?

**Mr SWAIN** -The commission of inquiry, I mean, yes, they absolutely need to be considered, but there's a whole range of matters that need to be considered. Some of the commission of inquiry recommendations are very prescriptive, some of them are more outcome-based. Particularly where they're outcome-based, there is discretion as to how they're achieved.

**Mr BAYLEY** - Right.

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**Ms JOHNSTON** - We'll stick with the same page on the bottom of 59 when we talk about whole-of-government fees and charges review. Treasurer, can you please outline what that process for review is, when it will occur, whether it will involve community consultation and how you will ensure that Tasmanians on low incomes are not disproportionately impacted by a review of fees and charges?

**Mr ABETZ** - Well, as a government, we will make that determination, but the secretary can go through the mechanics.

**Mr SWAIN** - Part of how this arose was in the budget process in agencies putting forward savings, a number identified that they had fees and charges that in some cases haven't been reviewed for a long time, like as long as 20 years. Part of that is the construct of the Budget, where additional revenue is owned by the public accounts, it's not kept for the benefit of the agency unless there's an explicit decision to sort of stop that natural process.

**Ms JOHNSTON** - Yep.

**Mr SWAIN** - That led to a discussion that, in some cases, the policy basis that fees and charges should be cost reflective was not being met, so Treasury undertook to update the guideline for recovery of fees and charges, which we're in the process of doing and looking to have done in July of this year. Agencies would then, on a progressive basis, start to examine whether the fees and charges that they're charging are meeting the policy position of cost recovery.

In the discussion around this at budget committee, it was also recognised that you can have a concessions framework overlaid with fees and charges. So you could, conceptually, go, the fees and charges haven't been adjusted for say 15 years, they should go up, but we recognise there are some people who will get that fee and charge who you could look at whether they should, or whether a concession framework would apply. But, it is kind of - going to your earlier question, it is a revenue measure that sits within the government's current policy appetite, if you like. So it's cost recovery, it's not a new tax. And the revenue item is about \$150 million a year now, so it's not enormous in the scale of a \$10 billion budget, but it could be worth some tens of millions of dollars over time and I think as is, you know, recognised, improving the sustainability of the budget isn't a single big bang solution. It's a whole myriad of changes and adjustments.

**Ms JOHNSTON** - So, Treasurer, through you -

**Mr SWAIN** - Sorry, if I could just finish.

**Ms JOHNSTON** - Yeah.

**Mr SWAIN** - It's not generally though - none of that revenue is in the Budget because that work wasn't sufficiently advanced to say with certainty what the revenue uplift would be, who it would apply to. So, I think going to part of your question, Treasury will enable and support agencies to do this progressive review, but ministers will have to decide, which fees and charges they adjust and over what timeframe and whether they do any concessions arrangements along with that for that.

**Ms JOHNSTON** - So, that's July I think you said, through you, Treasurer, July?

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**Mr SWAIN** - We're looking to have it ready, so agencies can operate off the new guidelines as soon as possible in the new year.

**Ms JOHNSTON** - Part of my question was about consultation, so particularly with the community sector and organisations such as TasCOSS in terms of the impact that that may have. When you're talking about the concessions overlay, will you be consulting with those community groups, in particular, about the impact on low-income Tasmanians when you're looking at the concession overlay and any increase and then any concession?

**Mr ABETZ** - Yeah, look, it's not going to be a job lot as such. Each individual fee and charge will be considered on its own merits and, in announcing it, I understand that we also commented on affordability and accessibility as being considerations for any determination that is made in relation to a particular fee or charge.

**Ms JOHNSTON** - And can I just ask, will that be Treasury leading that or will it be each agency who's responsible for the fees and charges? So, can organisations expect to see consultation from a department rather than Treasury on particular fees and charges as you're rolling through the various items?

**Mr SWAIN** - Yeah, it would be each agency.

**Ms JOHNSTON** - Each agency.

**Mr SWAIN** - What Treasury will seek to do is support them through the guideline and we may be able to provide some supplementary advice. Support the proper application of the guideline. So, make sure that people are recovering costs, it's not a tax, it's not a recovery above the cost of the, yeah.

**Mr O'BYRNE** - Thank you, Chair. Again, my questions back on GBEs. I'm trying to get an understanding of what resources are allocated within Treasury to manage GBEs. If you could outline what - is there a department? Is there an office, an email?

**Mr BURGESS** - Yep. So, through you, Treasurer, we have the shareholder policy markets branch - that's about 14 people. They take a range of functions in relation to the businesses that can be reviewing corporate plans, doing quarterly performance reports, also reviewing large capital projects in terms of whether they meet business case investment requirements and the like, so a range of functions there.

I guess, it's important to note that that is, at the end of the day, advice to the government is the output in line with the governance framework. Going back to your earlier question, if I may, the governance legislation reforms which we hope to have the second bill out for consultation later this month, I think a key finding from the situation with TT-Line was that the governance framework, as it was previously, only provided limited options for the government to step in to address performance issues.

Literally, you'd write to the business the nasty letter, the next step was sack the entire board, which would have ramifications for the operation of the business itself. The next bill has a lot of options for the government to do graduated actions in the event that it has concerns about performance of any of the businesses; that can be from requiring them to do a

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performance improvement plan, putting an observer on the board, appointing an administrator if it come to that, which makes it easier if you did want to get rid of the board, you can immediately put someone in to run it.

Sorry, that was back to the original question, but I think that's an important aspect that will lead to significant improvements in the structure of the governance framework. But did you have any further questions about in particular what the branch does?

**Mr O'BYRNE** - Yeah, well, effectively I mean, you're the night's watch, aren't you, looking over the wall. But the problem is we've had issue after issue after issue. You're talking about prospective legislative change which may or may not get through parliament. I want to be convinced, as most Tasmanians want to be convinced, that the night's watch are doing their job.

**Mr SWAIN** - I'll pick up. Yeah, that's part of the architecture. There are a couple other bits, too, that are worth mentioning. So TASCORP in its lending function, which I chair, will also do credit reviews. Although this isn't the right place or time to get into that too much, there is a maximum of 18-month intervals, assessment of the lending capacity of each of the entities. So that's a full review of their finances, effectively.

That obviously only applies to businesses that are lending; it doesn't apply to all businesses. I think it's being touched on that there is a responsibility for portfolio agencies to give advice to their ministers, as well. Treasury is really focusing on the governance and financial aspects of the businesses. Some of the portfolio issues, the portfolio agency should be advising their minister, as you would know from past lives, I think, minister.

**Mr O'BYRNE** - But also not only there's specific elements of your work as Treasury, your minister is a shareholder minister and that encompasses a whole range of responsibilities in governance. I think most Tasmanians are still scratching their heads about how that happened given, I believe there were enough powers to flag this issue, and I know you're talking about perspective changes. Can you give me - I mean, how did it happen? Tell me how it happened.

**Mr SWAIN** - Um.

**Mr ABETZ** - Well, look, I think we've been sort of in this space before, but the management group at the time, I think, bit off a lot more than they could chew and were capable of chewing and then DSG oversight -

**Mr O'BYRNE** - The minister of the day is not without power.

**Mr ABETZ** - Yeah, but you don't know what you don't know and that is one of the difficulties.

**Mr O'BYRNE** - As long as you accept that.

**Mr ABETZ** - Yeah, but when you are being advised and told everything is in order, do you expect the minister to lean across the table and say, well, I don't believe you?

**Mr O'BYRNE** - Could have driven to Devonport port.

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**Mr ABETZ** - The next question would be, well, why don't you believe me? And unless there is underpinning advice for the minister to make that assertion, I would say the that minister, in general terms, is entitled to accept, because otherwise you have to cross-examine every single figure, every single assertion that is put to you in relation to profitability, income, cars that come on and off the ferries, whatever.

**A member** - That's your job.

**Mr ABETZ** - You are, I think, entitled to accept at face value that which you are being told. Given what we have had occur with the TT-Line, we need more robust assessments, double-checking of what is being asserted to the ministers. I accept your concerns.

**DEPUTY CHAIR** - Okay, I've allowed this conversation to go on. I remind the members of the committee that we're here to have a look at the Budget, not to go back over past times.

**Mr O'BYRNE** - I think the GBEs have a massive impact on the Budget, Chair, particularly these GBEs.

**DEPUTY CHAIR** - Certainly lenient around that line, but I do need to allow the conversation to move on.

**Mr GARLAND** - Treasurer, Tasmania often relies on outside capital to develop its resources, industries and infrastructure. Has Treasury assessed whether the wealth generated by those investments is being retained in Tasmania at a level sufficient to build our own capital base, and, if not, what strategies exist to strengthen local ownership and reinvestment over time?

**Mr ABETZ** - No, look, I don't think Treasury has done that sort of work. Our capital base in Tasmania is quite limited, and we do rely heavily on interstate and international investment - be it for mining, agriculture, aquaculture, forestry, tourism ventures - so, there is a lot of reliance on outside investment and we encourage that. They do pay their taxes on the way through - either state or federal - they provide employment, they provide opportunities. How much of their investment sort of remains in Tasmania, be it the - dare I pick on an area that you mightn't like - but the aquaculture sector has paid over \$3 billion into the Tasmanian economy with their building and investments over the past few years. Let's never discount the importance of those investments, the wealth and job creation possibilities.

But that said, if Tasmanians were able to use all their money and invest here and create wealth, that's good, but it's the capital injections from outside that helps grow the economy.

**DEPUTY CHAIR** - Treasurer, my question now, can you outline how the government is supporting, in this Budget, low-income Tasmanians with the cost-of-living pressures, particularly through concessions?

**Mr ABETZ** - The government has maintained about, I think, 100 concessions, which benefit 70,000 of our fellow Tasmanians. That is of very real benefit to our fellow Tasmanians, especially those on lower incomes that are facing real cost-of-living pressures. I dare say the one policy that's received a lot of publicity has been the free public transport, which has seen a 40 per cent uplift in passenger numbers. One assumes that takes traffic off the roads as a result, easing congestion and, as I'm sure the minister for Health would say, also helps with

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preventative health issues as people walk to and from their bus, to and from their place of employment, and so there is a more active community as a result as well.

As a government and with this Budget, we have said that we want a stronger economy and a caring community. We can only be that caring community with those concessions, with that support, if there is a strong economy underpinning it.

**DEPUTY CHAIR** - It is now 11 o'clock. We'll come back -

**Mr ABETZ** - Before you do, Chair, can I quickly indicate that the Health minister's office has advised me that we remain 100 per cent committed to the North West Regional Hospital and we are still hoping for the federal government to partner with us on that. But there are figures in the Budget to get the North West Regional Hospital issue underway.

**Mr WINTER** - Where is that?

**Mr ABETZ** - Sorry?

**Mr WINTER** - Where?

**Mr ABETZ** - Where?

**Mr WINTER** - I asked you this in the House. It's not there, guys.

**DEPUTY CHAIR** - Well, it is 11.00 a.m. We're going to have a short break. I'll remind members to be as quick as possible because we have to make up the time. I also remind members that we have to make a decision come 12.30 p.m. about whether we're going to conclude the conversation with the Treasurer and move on to the Auditor. That question will be put at 12.30 p.m.

**The committee suspended from 11.01 a.m. to 11.10 a.m.**

**DEPUTY CHAIR** - I have been saying 11.30 but because of the 10 minutes for the morning tea we will break for lunch at 1.10 and, therefore, the last half hour, if the committee is agreeable, at 12.40 we will then swap over to the Auditor-General.

Okay, Mr Winter has the call.

**Mr WINTER** - Oh, thank you, Chair. Treasurer, the Budget includes pretty extraordinary half a billion dollars in bailout cash for TT-Line over the Budget and the forward estimates. I appreciate your tabling papers last Thursday in the House in relation to some of those decisions. One of those is the incoming government brief from 2025.

It redacts several components, as a lot of the documents are, but what it hasn't redacted is the footnote which says:

The going concern principle is an assumption that the entity will continue to operate for the foreseeable future, being a minimum period of at least 12 months. Conversely, an entity that is not considered to be a going concern

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is one where it is not expected that the entity will continue to operate in the future.

Given that footnote, I'm to assume that one of the issues the Auditor-General was raising was whether the entity was a going concern. Given that, can you confirm that the Auditor-General - one of the reasons for the expansion of the debt facility for TT-Line was that the Auditor-General was concerned that the business wouldn't just be insolvent but wouldn't be a going concern?

**Mr ABETZ** - No, that equity injection would have been made irrespective of the Auditor-General.

**Mr WINTER** - Can you confirm that the Auditor-General was saying to TT-Line and Treasury that he was concerned that the entity would not be considered a going concern according to his audit?

**Mr ABETZ** - That's for the Auditor-General to comment on and he will be in front of this committee later on.

**Mr WINTER** - But the question is to you.

**Mr BURGESS** - When the Auditor-General audited TT-Line's accounts for the previous financial year, that was an unqualified audit, which meant that he did think that they were going concern.

**Mr WINTER** - He did?

**Mr BURGESS** - Well, that implies, if he thought they were not going concern, he would have qualified the audit.

**Mr WINTER** - Thank you for that. Because that sort of goes to my point, was that qualified, was that audit decision made because of the decision to increase the loan facility for TT-Line, or did he make that decision before the facility was extended?

**Mr SWAIN** - You're referring to the year before, I believe.

**Mr ABETZ** - Yes.

**Mr WINTER** - So, I'm sorry, what's the answer?

**Mr ABETZ** - So the unqualified audit was for the financial year 24-25.

**Mr WINTER** - My question is in relation to these documents. I'm not sure whether it was supposed to be redacted, but the footnote talks about what a going concern is or isn't. The text is redacted, but can you confirm that the Auditor-General was considering whether or not he believed that TT-Line was a going concern.

**Mr BURGESS** - I don't recall the Auditor General raising concerns about there being a going concern. His concern that he raised was in relation to their solvency.

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**Mr WINTER** - Thank you. We understand, according to these documents, there was extraordinary haste between when the Auditor-General raised those concerns around the financial state of the business and the decision to extend the loan facility for TT-Line, and that led to that decision. But yesterday the Auditor-General in the other place outlined that his office is still awaiting documentation to assist for the planning for the next financial year audit. Treasurer, are you aware of that and aware of the reasons why TT-Line is holding up the provision of those numbers for the Auditor-General?

**Mr ABETZ** - Look, you would have to ask the transport minister and TT-Line that. What is in the Auditor-General's request, I'm not aware of that.

**Mr WINTER** - You're not aware of these issues with the Auditor-General getting access to the finances of TT-Line?

**Mr ABETZ** - No.

**Mr WINTER** - He said it's not normal for his office to have to make a number of requests and initially TT-Line actually declined his request to provide information. Can you confirm that you also don't have a corporate plan finalised for TT-Line yet this year?

**Mr ABETZ** - That's correct.

**Mr WINTER** - When you're expecting that to finally occur.

**DEPUTY CHAIR** - That's the last question.

**Mr BURGESS** - I can't remember the exact date; they've been granted an extension.

**Mr ABETZ** - An extension.

**Mr BAYLEY** - Treasurer, acknowledging we've got you shortly as the Minister for Macquarie Point Urban Renewal, I have some questions in relation to the stadium for you as Treasurer, because the budget documents outline a litany of risks. It's by far the most extensive risk chapter in the Budget, despite the, you know, TT-Line fiasco and, the like. Risks go around delivering integration, cost escalation and financial exposure, governance and assurance and finance and debt servicing.

I do commend Treasury for outlining really clearly the scope of the risks and few of us expect that the stadium will be able to be built for \$1.13 billion. But I acknowledge you'll answer that by saying we won't know until we contract it. But, of course, once upon a time the government promised to cap expenditure at \$375 million and not one red cent more.

The \$875 million cap now that has been committed to - it's been committed to the Legislative Council and other interested parties, and of course you've made that comment publicly. How can Tasmanians be assured that that is indeed the cap and what will happen if the stadium does increase from a cost perspective and it can't be managed downwards to fit within the \$1.13 billion cost estimate and the \$875 million cap?

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**Mr ABETZ** - Look, a whole stack of hypotheticals in that question, and imponderables at this stage, but can I correct what the Premier said was 375 by way of upfront payment and then the balance would be borrowed.

**Mr BAYLEY** - I think you'll find there's a document that calls them all capital costs.

**Mr ABETZ** - And that was part and parcel of the initial business case that was put forward and that has remained. That said, in relation to the total cost of the stadium, we can ask what happens if it's going to cost \$100 billion or -

**Mr BAYLEY** - Well, that's a good question.

**Mr ABETZ** - It is hypothetical. We deal in realities and the reality is that at this stage the quantity surveyor advice to us is \$1.13 billion. Previously, there was a lower figure, when I was advised of the higher figure, if I recall correctly, it was on a Monday, I then announced the higher figure on the Tuesday, within roughly 24 hours. If we are given new figures, then, of course, we will provide that to the public.

**Mr BAYLEY** - Well, as Treasurer then, Treasurer, if you are given new figures, you know at the moment the government is dipping in - borrowing \$375 million - to contribute as capital expenditure and then Macquarie Point Development Corporation is borrowing an additional \$490.7 million.

Would you, as Treasurer, categorically rule out the government finding more money, whether it be by borrowings or whether it be by taking it from consolidated revenue, to top up the \$875 million figure for the stadium? Would you categorically rule that out?

**Mr ABETZ** - No, I won't because if it's one dollar over, I wouldn't rule that out and then we'd get into the hypotheticals again, and would I will allow building the stadium if it's what, \$875 million and one dollar?

**Mr BAYLEY** - We all know that's not the case.

**Mr ABETZ** - Yeah, but you were asking -

**Mr BAYLEY** - Well, what is the line you would draw then, Treasurer?

**DEPUTY CHAIR** - Order, Mr Bayley.

**Mr ABETZ** - You were asking an impossible question.

**Mr BAYLEY** - No, I'm not.

**Mr ABETZ** - It all depends on the circumstances at the time, and with the best information provided at the time, decisions will continue to be made.

**Mr BAYLEY** - Well, look, the one dollar example, I think, is a little bit limp. What about \$100 million?

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**Mr ABETZ** - You specifically asked if it were going to cost anything above, and so I went a dollar above, and told you that on that figure, we wouldn't be changing our attitude, and that is the impossibility of the question you ask.

**Mr BAYLEY** - What about \$100 million, Treasurer?

**Mr ABETZ** - That is the same impossibility. We will await -

**Mr BAYLEY** - What's your view as Treasurer?

**DEPUTY CHAIR** - It's also a question that you ask, and therefore I need to move on to Ms Johnston. When you ask a question that offers an answer with one word, then that is still a question.

**Ms JOHNSTON** - Chair.

**Mr BAYLEY** - Hardly an answer, though, Chair.

**Ms JOHNSTON** - Following on from Mr Bayley's line of questioning. Treasurer, have you sought advice from Treasury about sensitivities in terms of incremental cost blow out? Whether it's \$100 million, \$200 million, \$300 million. The point that Mr Bayley made quite eloquently is that it's the most significant risk in the chapter. It's got the most time dedicated to it in the sensitivities analysis in the budget papers. Have you asked Treasury to model what that is, and have they given you a line of sand in terms of the impact on the budget moving forward?

**Mr SWAIN** - No, but Treasury is taking a keen interest. I'm on the oversight committee for Mac Point and James and I are both involved in that process. We're keeping a keen eye on this. I think Treasury's on the record are saying - so the number of words in the risk section, I wouldn't equate to the magnitude of the risk. I think what Treasury is on the record as saying is the chief issue in terms of the budget remains the operating expenditure.

This is a capital item. Firstly, all major projects will have contingencies, so that'll be something that has to be worked through. But Treasury's advice to the Treasurer, I think, I don't think you'd mind me saying because I said it in other places, would be it's about the choices you make. If there was a decision to support an increase in any project, I think Treasury's position would be are you going to adjust out the delivery of the balance of your capital program across time to accommodate that?

**Ms JOHNSTON** - On page 99, you talk about repayment of MPDC

Is intended to occur progressively over time through land development value uplift, and commercial returns generated across the broader precinct. Delays or weaker than anticipated outcomes in precinct development, land sales, private sector investment could result in MPDC borrowings requiring direct budget support over a long period, particularly in a higher interest rate environment.

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Have you provided advice to the Treasurer in terms of managing the scope of the project in terms, not just the stadium but the entire precinct to try and ensure those MPDC borrowings and the impact high interest rates over time is lessened?

**Mr SWAIN** - Well, as I said, I'm on an oversight committee that provides advice to a subcommittee of Cabinet, which the Treasurer is on, so in that regard I am involved. Specifically on the issue you raised, no, we haven't.

**Mr GARLAND** - Treasurer, in the season of budget [inaudible], increased revenue will ease the suffering of many Tasmanians. Tasmania's marine environment is a valuable public asset that supports significant commercial activity. One of those activities is salmon farming. You'll have to agree, when money is tight and things aren't real good, you have to attract or drag wherever you can, in a fair and appropriate way, extra revenue.

In Norway, they've got two or three different methods of attracting revenue. They auction out the lease sites. They've got a couple of different taxations methods on them. That industry is flourishing and thriving. Why aren't we doing the same here? We're not asking for an unfair return; we just want what's fair and appropriate because it's appropriate and fair for them to be doing in Norway and still maintain a viable industry. My question is, has Treasury assessed whether the current lease, licence and royalty arrangements provide an appropriate and fair return to the Tasmanian public, and what additional revenue could be generated under alternative [inaudible]?

**Mr ABETZ** - Well, that's a very broad question; the extent of those sorts of questions and we get a lot of those, Chair. Unfortunately, what betrays an understanding of the capacity is in physical capacity of Treasury to model and consider a whole host of things and we're continually being asked has this been modelled, that being modelled, and there is a limit and so we do have to determine specific projects as to what is modelled.

I don't know the form of government in Norway, for example. Whether it's just a central government or whether they have state governments as well, because with the federal government here, there is an income tax collected from the workers that go into Canberra revenue. There is company tax which goes into Canberra revenue, so when you take all those other varying taxations into account, I don't know how it would compare to Norway and I haven't done that analysis, nor has Treasury. What you want is as good a return as possible for the people of Tasmania without, if I can use the analogy, killing the goose that lays the golden egg, and what we need to do is get that balance right.

**Mr GARLAND** - Well, if we did tax under Norway's regime we would be hundreds of millions of dollars better off. That work has been done and I think we should be looking in the future, maybe next budget, to extract an appropriate and fair return given our dire budget situation.

**Mr ABETZ** - I'll take that as a comment.

**DEPUTY CHAIR** - Treasurer, I have a question. Could you please outline the changes to the fiscal strategy and how this will support the government's commitment to long-term fiscal sustainability?

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**Mr ABETZ** - I think the fiscal strategy used to have 11 considerations in it. We have now streamlined that to three or four and we have condensed it to try to make it more understandable and comprehensible. It is designed to have short-term, medium-term and long-term consideration as well for our strategy. There's a very helpful chart on page 55 of budget paper 1 to see what our objectives are, and there are five of those: to ensure sound financial management that's transparent and accountable; to develop robust, equitable and predictable spending and taxation policy; to build a strong and resilient economy; to deliver public services efficiently; and to maintain existing public infrastructure and support sustainable growth.

Then we go through the fiscal strategy measures and the various targets. The government's targets are to reach peak net debt by having a zero net borrowing requirement by 2028-29; to reduce the PNFC net debt by \$500 million based on the 2025-26 Budget; and to cap total infrastructure investment funding and other equity injections at \$1 billion. To achieve this the government will progressively realign operating expenditure with key government priorities, return to a net operating balance surplus and then return to a fiscal surplus. We have refined the fiscal strategy to something which hopefully is more understandable and sets the targets that we as a government have set.

**Mr WINTER** - When did you advise TT-Line that you intended to honour their request for a \$506 million equity injection?

**Mr ABETZ** - It wouldn't be so much honouring as agreeing to their request and I would need to get the date of that.

**Mr WINTER** - The company has been asked to provide information to the Auditor-General, who would normally expect this information as part of a normal audit to be provided in December or January. They still don't have it. The TT-Line was given a deadline of last week to provide the information requested by the AG and as of yesterday the AG still hadn't received it. Are you concerned about this? This is a company that's been referred to ASIC and has been given almost \$600 million in taxpayer equity injections over the course of the last two budgets. Your own Treasury documents that you've tabled in the House outline that this is a significant risk to the Budget as it adds to net debt in the GGS, yet you don't seem to know anything about it. When are you going to get involved in this so you can properly understand the finances of TT-Line?

**Mr ABETZ** - Thank you for that gratuitous lecture. Just because you assert it does not make it fact.

**Mr WINTER** - Tell me which bit was wrong.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - It might be good for your media releases but you can be assured that since I was Transport minister I have been very much actively engaged in all matters TT-Line, including when I was moved from Transport to Treasury. It has been an ongoing interest of mine and a genuine concern to ensure that the TT-Line is operational. Might I add, what really concerns me is that no reputational damage be done to it by extravagant claims and certain assertions which reduce public and consumer confidence -

**Mr WINTER** - Which claims have been extravagant?

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**Mr ABETZ** - to deliver the services. Regrettably, because of certain publicity there have been people ringing up TT-Line asking whether or not their advance booking is safe and things of that nature.

**Mr WINTER** - Are you suggesting that the problem here is the coverage of it rather than the stuff-ups?

**Mr ABETZ** - Look, the stuff-ups are one thing and I have spoken about that and indicated previously at committees of this nature whilst I was Transport minister that this matter cannot be sugar-coated and I think I may have used another expression as well which I won't repeat here. Suffice it to say that it is a matter that I think the member for Franklin, Mr O'Byrne, described as a disgrace. I have all sorts of adjectives that I could apply to what occurred, but - and I want to stress this - this is a fundamental piece of infrastructure underpinning the Tasmanian economy, our manufacturers, our primary producers and our tourism sector. We will ensure that its viability and its capacity to continue to ply the waters of Bass Strait is not prejudiced. That is why we have made the investments we believe are required to ensure that the Bass Strait ferries, the *Spirits*, can continue and indeed we're looking forward very much to the new ferries being able to take over from *Spirits I and II*.

**Mr WINTER** - Yet despite all that, the company's been referred to ASIC with an opinion that it's insolvent and you need to bail them out with nearly \$600 million of taxpayer funding.

**Mr ABETZ** - See, there you go again with an opinion -

**Mr WINTER** - I know you want to waste time here but I do have questions.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - No, but you have. Under law, and this has not been disputed by anybody including, might I add -

**Mr WINTER** - The Auditor-General had an obligation under law to refer them to ASIC.

**DEPUTY CHAIR** - Order. One at a time, please.

**Mr ABETZ** - Even the Auditor-General, I dare say, would not assert that the directors of the company are the ones who have the obligation under the *Corporations Act*, as opposed to, with respect, the Auditor-General. The Auditor-General is entitled to his opinion. We have exceptionally highly qualified directors on the board, people who have made a living serving on boards of all types, and they have a duty, with fear of convictions and hefty fines and disqualifications -

**Mr WINTER** - I haven't actually asked a question, Chair, so I'm not sure what the Treasurer is doing.

**Mr ABETZ** - if they were trading with an insolvent company. They would not be trading with an insolvent company.

**Ms JOHNSTON** - What was the question?

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**Mr WINTER** - I haven't actually asked the question but it's an interesting statement.

**DEPUTY CHAIR** - You interjected on the Treasurer, so I'll allow the Treasurer to conclude.

**Mr ABETZ** - I am correcting your assertions.

**Mr WINTER** - The question I would like to ask that I still haven't had the opportunity to ask is around the corporate plan and the statement of corporate intent. I assume that neither of those documents has been signed off on. Are you able to give the committee an update as to where both of them are at?

**Mr BURGESS** - Sorry, I'd like to correct what I said earlier on. We have received the corporate plan and the statement of corporate intent, the drafts of those. They were provided to Treasury on 31 March. Since then we've been working with TT-Line, as we do with all corporate plans, to review those, and that was complicated this time because we were also looking at the equity requirement as well, so we're yet to provide advice on the corporate plan to the government.

**Mr WINTER** - In terms of the corporate planning process, you've got a draft in front of you and I understand that you want to deliberate on those before you go back. The previous corporate plan, though, submitted by the board, was then withdrawn by the board. What were the issues within that corporate plan? Who were they identified by and what were those issues?

**Mr SWAIN** - A key thing is, I think, that people would be aware, is that there has been a complete changeover of the board and there's been a significant change over of the management team. The incoming board, which, the detail of this is a matter for the company to talk to, but the company had a look at its own financials to see what decisions it could make to improve its financial position. That led it to form a view that it needed to completely review its financial forecasts. That process also involved TASCORP, because TASCORP is the lender. So, it had both obligations to advise TASCORP and it was also looking for some additional financing. That was all going on through the back end of last year and the beginning of this year.

That led to a revised set of financials which informed the draft corporate plan. It led to Treasury giving some advice to the Treasurer in relation to the budget process and the need to provide some equity to the business, and it has also been followed through in a more detailed piece of advice that the Treasurer now has, which looks in detail at the scenarios that TT-Line has examined to come up with its baseline budget. In that advice, Treasury has recommended that the equity is provided to TasNetworks.

The point I'm trying to make is, in all this complicated process -

**Mr WINTER** - TT-Line?

**Mr ABETZ** - TT-Line.

**Mr SWAIN** - Oh, sorry, what did I say?

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**Mr WINTER** - You said TasNetworks.

**Mr SWAIN** - Sorry, I meant TT-Line. Thank you. The point I was really trying to make, though, is we've just got to keep in mind that we've had a new board and a changeover in management. So, this process has been unfolding I think as quickly as it reasonably could with the changeover in key personnel.

**Mr WINTER** - When do - you've received both drafts 31 May, when do you anticipate it is -

**Mr ABETZ** - March.

**Mr WINTER** - March? You received both in March?

**Mr ABETZ** - Yes, it was March.

**Mr WINTER** - Right, okay. That's quite a while. When do you anticipate that both of those documents will be signed off? They haven't had a corporate plan in, what, more than six months?

**Mr BURGESS** - No, but bearing in mind it has to go through a clearance process with both shareholder ministers, but the attempt would be by 1 July.

**Mr WINTER** - Thank you.

**Mr BAYLEY** - Treasurer, I've got one about TasNetworks and I'm glad we - Freudian slip there, Gary. Obviously, Marinus and the North West Transmission Developments are also identified as risks in the Budget. I'm not going to try to unpack and explore Marinus per se in this session, but I do want to go to a risk that's been identified in the Budget in relation to the Burnie to Hampshire transmission line and a new substation at Hampshire Hills.

The Budget says that:

The government has committed to underwriting the transmission line under certain conditions. To the extent that those conditions are satisfied, the government may be required to contribute up to \$50 million to support this development.

Under questioning of the Energy minister yesterday, we understand this project is at least \$200 million project and that it is solely, as it stands at the moment, about facilitating one private commercial wind farm development, or one company's development - there's two developments: Robbins Island and Jim's Plains. Page 96 of budget paper 1, if you're looking for it.

My questions are - I was interested in seeing this in the budget paper - this pertains to this financial year or you just flagging this as a potential risk to the budget going forward, the need for a \$50 million contribution to this development? Also, it reads as if we're underwriting the entire transmission line. We now know it's a \$200-million development. Can you unpack that for us and explain why a line has been drawn in this budget at \$50 million, even though it's actually a more expensive line?

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**Mr BURGESS** - I think I can probably provide a response through the Treasurer. That \$50 million underwriting represents a commitment, I think, given by the government two elections ago. Yes, it is - it was capped at \$50 million. So, acknowledging that the project will cost more than that, we'll need revenues from elsewhere.

**Mr BAYLEY** - So, that's \$50 million sort of equity contribution to TasNetworks to develop it?

**Mr BURGESS** - It's not developed to that degree of specificity, if I may use that term again, but it's a \$50-million contribution towards the cost of it, whether that is given to the customer or TasNetworks, the connection customer, I mean, hasn't been resolved. But the timing of that development is not yet known, so we haven't presented it in the context of being a risk this financial year, or not. It's largely, as you say, contingent on the Robbins Island wind farm and I don't think that's reaching financial investment decision stage for another year or so.

**Mr BAYLEY** - Treasurer, given everyone else is having to make cuts to their budgets, departments that is, do you still think it's appropriate for the taxpayer to effectively gift \$50 million to a private commercial wind farm developer who is already developing their own extensive private transmission line to connect it to Burnie? One of the things that has been identified is that these developers should be paying for their own transmission infrastructure. I think one of the findings and one of the recommendations of the Energy Matters report found exactly that. Do you support, given the constrained budget, a \$50 million handout to what is a multi-billion-dollar international company to facilitate its development?

**Mr BURGESS** - I could probably add something.

**Mr BAYLEY** - No, that was a question to the Treasurer. Please feel free, but I'd like the Treasurer to answer that question.

**Mr BURGESS** - If I might just add some extra context. The intent of that line, as you say, at the moment has one customer, but the intent is to scale up at such a stage that can provide additional connection opportunities for the renewable energy zone in the north-west.

**Mr ABETZ** - Decisions are made from time to time to co-invest with the private sector to help leverage private sector funds and those decisions are taken on a case-by-case basis. Whether it's appropriate or not is determined on each specific matter or project and how much it will drive further economic development and dividends for the state.

**Mr BAYLEY** - If the private company needed more to actually realise this asset and actually make it worth their while, would you support giving them more and contributing additional funds from a government perspective?

**Mr ABETZ** - Once again, as I answered before, if it was only \$1.00 more, chances are I wouldn't lose much sleep over it. It has to be determined on the basis of the amount being sought and the potential dividends that might be gleaned from that further investment. Until all the details are presented, it's sort of very hard to try to say yes or no to a question like that.

**Mr BAYLEY** - When you say dividends in that context, you're not talking TasNetworks dividends, you're just talking sort of broader economic benefits and so forth.

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**Mr ABETZ** - Broader, yes.

**Mr SWAIN** - Just to add clarity to the discussion of the risks related to the Budget and forward Estimates, not just the Budget is the intent.

**Ms JOHNSTON** - Treasurer, your budget tagline is delivering a strong economy and a caring community, and the community sector plays a really important role in providing a caring community, yet their funding has been slashed significantly over the forward Estimates. We talked a bit earlier on about the importance of government achieving cost recovery when it comes to fees and services, yet the community sector is constantly underfunded. How does your government expect to deliver a functional community services sector with indexation levels not aligned with full cost recovery. You have a set rate of indexation at 3 per cent this financial year, falling to 2 per cent over the next two years. That's simply not what it is to do business in the community sector. How do you expect to deliver a community sector that's functional and viable and sustainable?

**Mr ABETZ** - We believe that we can and will. Those sorts of questions might be better directed when you have the Community Services.

**Ms JOHNSTON** - The Community Service minister is no longer, and I believe you'll be in the chair. This is a decision of Treasury rather than a decision of the community service minister, and what did the community services minister, as she was then, make representations to you in setting the budget parameters?

**Mr ABETZ** - I'm not going to talk about representations that ministers make to each other. It is a collective decision, which is the Budget, and I'm not going to go into the details of what is or is not represented. Some of the matters were funded, as I understand it, for a specific time period and that has elapsed. Undoubtedly with a total figure there, there are explanations indicating each individual line item, but I don't have that detail in front of me.

**Ms JOHNSTON** - The Coalition of Community Service Peaks has made representation over and over again to you, the Premier and the minister for Community Services about the importance around indexation lining up with their cost of delivery of services and the important services they provide for Tasmanians. At a budget forum on Friday before last, the minister for Community Services simply told the community services sector that all they needed to do was ask her to ask you to deliver the appropriate funding. Has the previous Community Services minister made representation to you in the development of this Budget around the importance of indexation that's appropriate for the sector to maintain its service delivery, particularly when cuts in your government sector will mean that community services are required to pick up the slack?

**Mr ABETZ** - Yet again, I'm not going to get involved in the discussions that occurred between ministers and representations ministers make to each other. In the budget context, suffice it to say that the final document is the document which all Cabinet ministers sign on to, and it is then the decision of the government and then, individually and collectively, the decision of Cabinet.

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**DEPUTY CHAIR** - Treasurer, can you outline how the government is progressing with its 100-day commitment to contemporise the Department of Treasury and Finance prequalification scheme to ensure it continues to meet the needs of industry?

**Mr ABETZ** - I can, Chair. The government is committed to backing in local business to create jobs and to deliver a strong economy and a caring community. As part of our suite of single-form tendering reforms, a review of the prequalification scheme for building and construction contractors and consultants is underway to ensure that the arrangements remain fit for purpose. In April this year we delivered a new supplier code of conduct to streamline procurement and contract documents, including refreshed requests for quotation templates that are simpler for businesses, the implementation of a supplier code of conduct, updated guidance for industry and agencies, and a new Buy Local policy guide for agencies that emphasises the need to simplify procurement documentation and reduce the number of attachments and forms businesses must complete when bidding for government contracts.

The current phase of the review of the prequalification scheme has been completed and a number of administrative enhancements to contemporise the scheme will come into effect on 1 July 2026. This includes the release of new online application forms and new guidance material and the introduction of a bespoke financial assessment process for complex company structures to enhance our flexibility. As part of its program of continuous improvement, Treasury is also progressively implementing other enhancements throughout the application and assessment process to reduce the administrative burden on applicants wherever possible.

**Mr WINTER** - Obviously as Treasurer, you have a big role to play in procurement matters. The policy and guidelines for grant of indemnities and legal assistance to public officers of the state of Tasmania states in part 3.14 that legal assistance will not be provided in relation to legal proceedings initiated by an MP unless it's in the interests of the Crown to do so. Treasurer, are you confident that in all instances where the state has paid legal fees, it was in the Crown's interest to do so?

**Mr ABETZ** - Yes.

**Mr WINTER** - Are you confident in the case of Ms Ogilvie that these guidelines were followed?

**Mr ABETZ** - I have been assured that the guidelines of some 20 years standing now have been followed.

**Mr WINTER** - In terms of this particular matter, you've made a number of statements yesterday, well, two statements separately yesterday and one clarification. In the earlier statement you indicated that you hadn't been part of the Cabinet deliberations and then later you came back and indicated that perhaps you had. Can you say on what date you took part in deliberations about whether Ms Ogilvie should receive legal assistance?

**Mr ABETZ** - No, I can't. Given all the commentary about this, I would refer you to the Premier's answers.

**Mr WINTER** - The Premier's answers are non-answers. They're difficult to decipher apart from the fact he doesn't want to answer them, but I'll move on.

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In terms of the advertising for this Budget itself, last year there was plenty of commentary around the use of advertising for the former budget. This year I've noticed advertising for the Budget in *Pulse* but also in the *Tasmanian Business Reporter*. Are you able to give the committee information about how much money is being spent advertising this Budget and through which news outlets that's occurring?

**Mr ABETZ** - I'd have to take that on notice, but happy to do so.

**Mr BAYLEY** - To pick up on Ms Johnston's line of questioning around community service organisations, they've had a 12.5 per cent reduction in funding to their services and this is coming at a time when there is increased pressure on community service organisations. Has Treasury given any advice or done any analysis with the Department of Communities around the impact of this? We all know community service organisations are already picking up the pieces and assisting Tasmanians struggling to meet their needs that aren't being met by the services the state provides. What analysis has been undertaken on the sensitivity of community service delivery costs to external economic factors, including fuel and energy prices? Is there advice around the impact and what sensitivity is there to those external costs?

**Mr ABETZ** - In relation to the range of questions, first of all, which I thought was the case, some of the funding adjustments are as a result of prior commitments ending.

**Mr BAYLEY** - Not because the need ends, Treasurer.

**Mr ABETZ** - This includes a wide range of commitments such as time-limited project funding, grant funding and election commitments coming to an end. The government listened and those commitments have now been delivered. The Tasmanian taxpayer would expect a fiscally responsible government to do that and that's what we're doing.

In relation to community groups, some groups have seen funding end or a decrease in funding. This is due to the end of time-limited project funding, the end of grant funding and the completion of election commitments. As a government we will always listen and work with any organisation that reaches out.

The Tasmanian Council of Social Service (TasCOSS), the day after the Budget, said:

There are some encouraging investments in this Budget, including the extension of free bus travel and investment for the Preventative Health Strategy, Neighbourhood Houses -

**Mr BAYLEY** - Coming back to community service organisations, though.

**Mr ABETZ** - Does TasCOSS represent community service organisations? I think so. What did TasCOSS say? Exactly what I just said, that there are some encouraging investments. Then we have Neighbourhood Houses Tasmania saying:

Neighbourhood Houses will receive two years worth of Community Connector funding in one financial year. It will allow Neighbourhood Houses a year of safer staffing levels. This flexible approach by government provides important breathing space while we work together on the Neighbourhood Houses needs analysis.

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Carers Tasmania said:

We also acknowledge a funding allocation towards Thriving Kids and the 20-year Preventative Health Strategy.

I can go through a whole list of organisations. Shelter Tasmania said:

We welcome continued investment in social and affordable housing in today's State Budget.

The list goes on.

**Mr BAYLEY** - You just outlined earlier that a range of time-limited programs have not been refunded. As Treasurer, do you believe that the needs those programs were funding have ended as well, or do those needs continue as well?

**Mr ABETZ** - These things were done for a time-limited period or for a specific project and that has been delivered in those individual cases. Can I comment on each individual case, not being the portfolio minister? No, I can't. But I would imagine the people of Tasmania would expect the government that if we say we'll make money available to deliver a certain project, once that project is delivered, we would then not provide it with ongoing, recurring funding.

**Mr BAYLEY** - My original question was what analysis Treasury has done, or has Treasury done any analysis about the impact of defunding those programs or not refunding some of those programs? Has Treasury given advice or done any analysis about the impacts of that - be they the human impacts or, indeed, the financial impacts on the Budget in other areas?

**Mr SWAIN** - Not directly. The advice that we have given relates to the level of improvement that's required in the Budget to arrest the rapid acceleration of debt that's occurred in the last few years. We've looked at specifically growth and expenditure since the COVID period, and part of the consideration for Budget Committee around the allocation of savings was the growth in different portfolios.

Agencies have been asked to work with their ministers on how any savings should be allocated. So, if you like, our advice is at the macro level about where we need to get back to in terms of expenditure, which has been considered by Budget Committee in formulating the Budget. And I just want to make the very obvious point that if debt does increase unabated, you will have a reduction in services in perpetuity, including in this sector.

**DEPUTY CHAIR** - Before I go any further, Mr Winter, you did miss out.

**Mr WINTER** - I can wait till the next rotation for the next one. I appreciate it, Chair.

**DEPUTY CHAIR** - Okay.

**Ms JOHNSTON** - Thank you, Mr Winter. Following up Mr Bayley's line of questioning, Treasurer, do you appreciate that for many of these community service organisations, they've been operating on 12-month rolling time-limited grants for funding for projects, or project funding which have been project funding for many, many years to deliver what is essentially

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core services. So therefore a 12.5 per cent reduction is a serious reduction if it is coming from, and being targeted from, time-limited contracts and grant funding ending.

Again, we can't ask the minister for Community Services because she's no longer the minister for Community Services, so I'm asking from your perspective as Treasurer, what have you heard from that department in terms of the impact this particular cut will have on the important delivery of services to vulnerable Tasmanians, if you are cutting time-limited funding?

**Mr ABETZ** - I haven't heard anything from the department specifically, but that is not surprising. When and if I become the minister for it in an hour-and-a-quarter's time, then I might be briefed.

**Ms JOHNSTON** - But I'm asking about you as Treasurer. I mean, we heard those questions earlier from Mr Winter about the iterations of the budget papers. Surely, when the draft budget papers were presented to Community services, there would have been some advocacy from the minister at that time to you as Treasurer.

**Mr ABETZ** - What advocacy may or may not have taken place, I repeat, I'm not going to go into those conversations. Ultimately the Budget, as presented, is a document that we, individually and corporately as a Cabinet, sign off on.

**Ms JOHNSTON** - Treasurer, are business grants and support programs being reviewed as part of the government's saving measures? If so, what specific programs and savings have been identified?

**Mr ABETZ** - Once again, that would be for the minister for Business, Industry and Resources to go through the specific details of those particular funds in his ministerial responsibility.

**Ms JOHNSTON** - Has there been any advice to that minister about the need to cut those if we're cutting community services, and quite harshly cutting community services, impacting the most vulnerable Tasmanians? Have you requested the minister directly look at business grants and support programs equally?

**Mr ABETZ** - Look, I don't demand or request anything from my ministerial colleagues. What I do request is that they live within the budget allocation that has been determined by the Cabinet for the particular portfolio. Then, within that, it is for the ministry and Cabinet, ultimately, I suppose, to determine what amounts are allocated to which areas.

**DEPUTY CHAIR** - Chair has a question. Treasurer, Tasmania has a strong record of supporting households with the cost-of-living pressure through one of the most generous electricity concession schemes in Australia. Can you update the committee on the government's plans to extend support to eligible Tasmanians living in embedded electricity networks, and explain why this reform is important?

**Mr ABETZ** - Look, this has been a most welcome concession and, historically, there's been inequity within the system. Tasmanians living in embedded electricity networks, such as many residents of retirement villages and permanent residents of caravan parks, have not been able to access electricity concessions in the same way as customers who receive electricity

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directly from an authorised retailer. So, we've established an embedded network electricity concession framework to ensure eligible concession card-holders living in embedded networks can access support equivalent to that available to other concession-eligible Tasmanians.

Under the framework, eligible embedded network customers can access an annual electricity concession, medical heating and cooling concessions and life support concessions. Eligibility requirements are like existing concession arrangements to ensure consistency and integrity across the system. Treasury estimates that around 450 Tasmanians living in embedded networks could benefit from these arrangements.

While the total cost of the program is expected to be modest, the benefit to eligible households will be significant and, for many residents, this assistance will help ease ongoing household budget pressures and provide greater certainty around energy costs. Ultimately, this initiative reflects our government's commitment to supporting vulnerable Tasmanians and ensuring that cost-of-living assistance reaches eligible households regardless of how their electricity is supplied.

**Mr WINTER** - It was an interesting question. I just wanted you to confirm, Treasurer, my research shows that in 2022 there was a Winter Bill Buster discount for Tasmanian residential customers. In 2023-24 there was an energy bill relief payment. In 2024-25 there was an energy bill relief government energy support package of \$300. In 2024 there was a Supercharged Renewable Energy Dividend of \$250 - that was in an election year, of course. In 2025 there was an energy bill relief package for \$150 and then a renewable energy dividend of \$60. Can you confirm this is the first year since 2021 that your government hasn't provided any of these energy dividend rebates?

**Mr ABETZ** - Look, there are ongoing energy concessions over the forward Estimates, totalling in excess of \$235 million. So, we can slice it and dice it how we like -

**Mr WINTER** - Been going for about 20 years, I think.

**Mr ABETZ** - But those energy concessions that are in the Budget on what page?

**Mr WINTER** - Can you confirm, in terms of the renewable energy dividend - so that's a policy that was put in place by one of your predecessors that is contingent on Hydro Tasmania making a profit. Can you confirm that Tasmania - is the renewable energy dividend (RED) still government policy and it's just not enacted because Hydro is not making a large enough profit? Or is the policy being dropped?

**Mr BURGESS** - Yes, there is a review in 2028. I guess the answer is probably both. It remains government policy, it's subject to review in 2028, and Hydro's not expected to pay a dividend over the budget forward Estimates that would trigger the existing RED anyway.

**Mr WINTER** - So, it's not expected there will be a renewable energy dividend over the course of the budget forecast? Is that correct?

**Mr BURGESS** - Based on current information.

**Mr WINTER** - Thank you. I wanted to move on to TasInsure, Treasurer. Mr Trowbridge, who's apparently the Michael Jordan of insurance, was initially paid a sum of

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around \$100,000. I understand you got asked about this yesterday. There was an additional payment of, I think, around \$50,000.

**Mr ABETZ** - \$48,000.

**Mr WINTER** - \$48,000. Is that the total sum of funding that Mr Trowbridge has received or is there more money going into Mr Trowbridge and his colleagues to undertake this work towards the so-called TasInsure.

**Mr ABETZ** - Yes, \$48,000 was correct with the extras or subsequent engagement.

**Mr WINTER** - About the total amount?

**Mr ABETZ** - Look at this stage, further engagement has not been assumed. If additional technical advice is required, it will be scoped and approved through the normal procurement processes.

**Mr WINTER** - So, I obviously wasn't there, because I've been here, but I understand that the Premier this morning has described an additional \$200,000. Is that something that government's considering for Mr Trowbridge?

**Mr SWAIN** - From the work that's being done, there's a dual responsibility for implementation of work in three areas: establishing a market division, a consumer division and a risk assessment and mitigation division. That split is the market division work will sit in Treasury and the other two will sit in Premier and Cabinet. I know that in relation to the Treasury work we're forming up what that'll involve and how we'll go about it and what resources we'll have internally and what we'll procure from the outside. So I can speak to that, but I can't speak in detail to -

**Mr WINTER** - Sorry, can you repeat what bits were going where, the three?

**Mr SWAIN** - So there're three chunks of work that have been identified. There's the establishment of a market division which will sort of be part of the new entity that will focus on targeted support for hard to place risks. So that's engaging with the insurance markets and that's the Treasury bit. There's a consumer division, which will be, as I understand it, just looking at my colleague, more about facilitating access to existing services and getting the best advice around the existing commercial services, and that's the consumer division, and there'll be a risk assessment and mitigation division which will look at underlying risks which go to insurance cost. These are things like hazard data and, looking to see whether the government can coordinate its activities to lower the underlying risks that are being reflected in pricing and that's also going to be in Premier and Cabinet. So there's the work, three parts of work, two in Premier and Cabinet, one in Treasury. Treasury hasn't made any decisions to do further work with Mr Trowbridge at this stage.

**Mr WINTER** - But Mr Trowbridge could have been engaged potentially by DPAC then?

**Mr WINTER** - He might have been, and I'm not saying we wouldn't, we are just formulating up the work we need to do in more detail. Once we've done that we'll work out the work program and then we'll work out the best way of delivering it.

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**Mr WINTER** - In terms of the establishment of this, the Budget shows \$4 million - \$2 million in the Budget and \$2 million the year after and then nothing further. Is the government assuming that TasInsure only has a life span of two years? And the second part of that question is, why is this being established as a statutory authority? Is this just purely to try and make this look closer to what the Premier announced, or is there some other reason why it would be established like that rather than just in the department?

**Mr ABETZ** - Look, we believe that the \$4.2 million in the budget will be sufficient to get TasInsure operating as anticipated in the implementation pathway. As implementation progresses, funding requirements will continue to be assessed, but it will remain commensurate with the benefits it provides to you.

**Mr WINTER** - Is there a view that this could be self-sustaining in terms of its funding then if you're not proposing for any funding?

**Mr ABETZ** - Look, at this stage we will see what is recommended and the outcomes, but we are committed to this policy.

**Mr BAYLEY** - I've got a question on TasInsure as well. The implementation plan identified organisations working with vulnerable children and young people as a priority cohort to address for public liability and other specialised lines of insurance but provides no further detail about implementation eligibility or the types of insurance cover that will be accessible.

So, the question is, what consultations are you undertaking with community organisations to understand the public liability, physical and sexual abuse or other insurance products that they require and when will they be able to access these products so that they can continue to provide program services and community spaces to children and young people?

**Mr BURGESS** - Through you, Treasurer. So, I think you've cited there an example of one of the hard-to-place insurance markets that were mentioned in the pathway. There are a number, there was a couple of others as well from memory, but what I think the next step will be is for the government to engage with both the insurance industry and community and industry groups to do a more fulsome scan of the market to identify which products are really hard to place.

At the end of the day, you got to differentiate. Is there a structural problem with the market or is it people just complaining about price? They're different things and then it's still open to then what TasInsure will target in terms of the products it develops.

**Mr BAYLEY** - I guess the question was the consultations - how do you envisage consulting with the community service organisation? Has that commenced or?

**Mr BURGESS** - No, and I think as the secretary said, we're still in the process of formulating how we're going to approach this task. But that is one of the issues that we've identified that we'll have to address.

**Mr BAYLEY** - Look, this conversations also begged another question that I wanted to get to, which is the surplus, you know, a surplus in a couple of years when we've got blank allocations in many of the line items. We just talked about TasInsure, and you know the question as to whether it's self funding after a couple of years, after \$4.2 million of funding,

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I noticed that the Peri-urban Deer program stops after this year, there's no funding in the future. I don't think we're going to deal with Peri-urban Deer in this year.

You know, Homes Tasmania maintenance top up funding is \$1 million. I think, this year, that's it. You know, it looks like the surplus is fabricated by not actually funding the necessary programs in the out years and including the near out years, if I can put it that way. What do you say to that in terms of the surplus? The surplus just seems like a sham from our perspective because there are so many holes in the forward Estimates.

**Mr ABETZ** - Look, a whole sham, fabricated, they're all the words that you will use for your media release, no doubt. They are all descriptors that we reject.

**Mr BAYLEY** - What do you say to the blank line items, like what happens with the Peri-urban Deer program, for example, in 2027-28 and 28-29. Is it going to be funded? How does it get funded?

**Mr ABETZ** - Look, they are policy decisions of government that need to be made at the time.

**Mr BAYLEY** - So, we can entirely anticipate a budget that does actually need to plug those holes and ultimately that surplus is either reduced or it's pushed out by years or it's a mirage?

**Mr ABETZ** - Well, you can anticipate all those things if you like.

**Mr SWAIN** - I was just going to say Treasurer, if I could. So, it's certainly the case that the expense lines in the Budget have significant ambition. They need to reduce the rate of growth in expenses occurred over recent years. There's also on the other side of the equation some potential upside in some of the revenue items. So, we haven't taken into account the GST outcome that's just come through the Commonwealth budgets process as an example.

I've already talked about fees and charges, which would be a slow but progressive transition from where they are now towards cost recovery over time. So, there's a lot that needs to be delivered to achieve this budget. That is definitely the case, but it also sets out where the government is trying to get to in terms of peak debt.

**Mr BAYLEY** - What do you see as the likelihood of delivering that surplus as predicted, as forecast, as budgeted?

**Mr SWAIN** - Look, as budgeted, I will say things will definitely change and they will be future decisions. Whether it's achieved or not will come down to policy decisions and I think in our advice to the Treasurer, Treasury is definitely really arguing for the need to make defined choices.

**Ms JOHNSTON** - Following on similar lines, I think, Gary, you described it as ambitious, other commentators have described it as aspirational. I think it's a fair observation to make that no government of any persuasion has managed to significantly reduce expenditure year-on-year and achieve these kind of savings, so you're asking to perform the unprecedented, I suppose.

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Treasurer, what happens if the targeted savings aren't delivered? Is it a simple matter of accepting that the surplus and peak debt will be pushed out into further years? What would prompt you to consider other means of increasing revenue, other than hoping that we get more returns from GST?

**Mr ABETZ** - Once again ,it's a hypothetical question - 'what if, what if'. The Budget is as presented, and if circumstances change, if we get, let's say runaway inflation or things deteriorate further in the Middle East, all the risk factors, some of which we've stated, some which I assume some of us haven't even thought of as yet but are around the corner. Last year's budget, nobody put in the Risk chapter problems in the Middle East and fuel supply. Those things have to be considered when and as they arise, and government, being agile, will make its decisions accordingly. But given the parameters and the known circumstances to the best of our knowledge at the point in time, the Budget was delivered. That is what we're seeking to deliver.

**Ms JOHNSTON** - Treasurer, we live in the real world and again, you'd have to be a miracle to deliver something that no other government of any persuasion's been able to do in terms of reducing expenditure year-on-year. At what point will you consider other revenue-raising options, other than just hoping that the Commonwealth will come to the rescue time and time again? Because it's an unrealistic assumption, based on history - and history is a pretty good indicator of the future patterns of behaviour - that you can achieve the kinds of savings you're required to achieve to reach surplus and peak debt as you predicted.

**Mr ABETZ** - Look I disagree with the portrayal. The federal government has responsibilities to us. In the Health area, the increased funding is welcome, but can I say, it's still falling short of their responsibility and their full promise. To say that we are waiting for the federal government to help us, can I say they have duties and obligations -

**Ms JOHNSTON** - But they've failed over a number of years, so you're asking for a miracle from them as well as a miracle from your own government to achieve the surplus and peak debt.

**DEPUTY CHAIR** - Mr Johnston, allow the Treasurer to answer.

**Mr ABETZ** - If you want press releases and grabs for social media rather than answers, then that's fine, but in relation to - It would be good if those that portrayed themselves as Independents fighting for Tasmania would actually take the fight to Canberra and say, 'You are failing us and it's a disgrace.' And ask Mr Wilkie, 'How have you used your powers in Canberra to ensure that the stranded patients in the Royal Hobart Hospital, the three wards full of them, can be discharged into age and disability care?' We are backfilling that cost because we are a caring government, but that costs us \$100 million or thereabouts per year, and when you're talking about extra money for the community care sector, wouldn't it be good if we had that extra \$100 million, primary healthcare, et cetera? So yes, we are seeking extra money from them to live up to their responsibility.

In relation to extra money that we are now predicting coming our way courtesy of the GST, it is not a federal government bailout. The GST is predicated for the states on a particular formula so, if you like, they warehouse that money. It goes in, but they can't spend it. It has to go out, according to a particular formula. And as you would be aware - and thank you for voting for the motion - we want to see that formula revert back to the horizontal fiscal equalisation.

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So, there are a lot of imponderables that will impact the budget from a revenue point of view and also from an expenditure point of view. Trying to balance up both sides is what a budget seeks to do, and the forward Estimates, of course, are the forward Estimates.

**DEPUTY CHAIR** - Treasurer, can you please update the committee on the Government's commitment to delivering reforms of the Tasmanian liquor licensing laws?

**Mr ABETZ** - Yeah, look, liquor licensing laws are there for a good reason, for good social behaviour, as well as it's a good social pastime that people enjoy engaging in, consuming liquor. It's getting the balance right. I think I had the opportunity in the House the other day to say that it should all be based on a genuine sort of risk analysis by the department and in making these decisions. So, for example, if you're given a free glass of wine as you enter a flower show, chances are the community risk associated with that would be relatively minimal in comparison to, let's say, a festival where there might be grog flowing on a consistent basis for quite some time.

So, getting that risk management in place is what the government is seeking to do, and we are already progressing significant reforms. A request for tender is underway to deliver a new full digital licensing system for liquor and gaming. This will allow applications to be lodged online, documents uploaded. Once in progress, tracked in real time through a single portal.

In parallel, we're advancing a comprehensive review of Tasmania's liquor laws through what I was referring to earlier, namely risk management approach or risk-based framework, to use the correct terminology. Together, these reforms are focused on making the system simpler and faster. Digitisation and clearer legislative settings will reduce administrative delays, improve workflow efficiency, and enable more timely decision-making. And Tasmania already performs strongly, with most applications assessed within four to six weeks, including the current 14-day public advertising requirement. The government's commitment to a 10-day turnaround for recommendations, excluding public consultation, will be supported by these reforms, particularly through streamlined processes and improved digital capability.

In short, we are building a licensing system that's easier to use, faster to navigate and better aligned with modern business while maintaining strong harm minimisation and community protections.

**Mr WINTER** - Treasurer, does Treasury have a figure it uses to measure what it expects to be health inflation?

**Mr ABETZ** - There is a health inflation figure, I understand. Is there one that - no, you don't?

**Mr WINTER** - If I take then - Treasury has forecasts of CPI increases at 3.5 per cent next year then 2.5 per cent, then 2.5 per cent, then 2.5 per cent again.

Looks like maybe there's an update, though, from the secretary?

**Mr SWAIN** - No, I was just going to say in particular contexts, we do look at the rate of growth in health expenditure. Like, for example in the FSR, we did look at that. But I was just getting the relevant page on indexation in anticipation.

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**Mr WINTER** - Would you concede that health inflation is usually higher than CPI?

**Mr SWAIN** - Historically, it has been, but the indexation rate for medical and surgery supplies in the budget is 3.5 per cent.

**Mr WINTER** - The Budget outlines \$700 million worth of cuts in the Health department alone, inside \$1.5 billion across all the agencies. There's nominally, the amount proposed to be spent in year four is well below the rate of inflation, even if you took it at CPI. So, CPI increase over the four years compounded is around 11.5 per cent. But the increase such as it is, is less than 3 per cent. Do you concede there's a real cut in Health funding over the four years?

**Mr ABETZ** - What we've seen over the years since coming to government has been a 150 per cent increase in expenditure in the Health area. That is growth which is very challenging to us, and I recall the previous government saying that they had to put 200 beds into storage in hospitals because the 28 per cent of the budget being spent on the Health at the time was unsustainable.

**Mr WINTER** - You don't know where you said the \$100 million is come from. It could come from anywhere.

**Mr ABETZ** - Now we have a situation where about 35 per cent of the Budget is being spent on Health. We want to continue to deliver the excellent services that are provided, but we are mindful of the fact that there are certain expenditures that aren't on the front line that can, in fact, be looked at and rightsized and I'm appreciative of the support given to us in that regard by the shadow minister for Health who acknowledged that certain savings could be made.

The only argument now seems to be how much or the extent of the savings and we welcome that acknowledgement by the shadow minister for Health. What I would say to you is, and I've been surprised at how many people, especially from the public hospital system, nurses, doctors, surgeons have come forward and indicated that there could be savings made in that area without impacting the service delivery of genuine healthcare.

**Mr WINTER** - You wasted a lot of time. You didn't answer the question. You've just heard from Department of Treasury secretary and it's in your own budget papers that inflation is at 11.5 per cent over the course of the next four years and that Health inflation is usually higher. In fact, it's modelled around 3.5 per cent. Do you acknowledge that there is a real cut in health spending within this budget?

**Mr ABETZ** - We are seeking to rightsize all areas of government expenditure. First of all, there were extravagant claims made about cuts. Now, there's an acceptance that - and that's the fact - that there are a dollar increases over the forward Estimates, so that's now been conceded. Savings are now being conceded by the shadow minister.

**Mr WINTER** - Your own Health minister says there are no cuts. That's what she said in the House.

**Mr ABETZ** - There are savings.

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**Mr WINTER** - And you just said she's wrong.

**Mr ABETZ** - No, there are savings to be made, which your own shadow Health minister has acknowledged.

**Mr WINTER** - Your own Health minister won't acknowledge there are cuts.

**Mr ABETZ** - You can make savings whilst also ensuring that you are spending more on Health, and in any area you can do that by making savings in those areas that your own shadow minister identified.

**Mr BAYLEY** - Treasurer, I'm interested in the transfer of debt as the budget papers identify in the risks to general government sector rising from select public non-financial corporations. As Homes Tasmania is to be bought within the departmental structure, its existing borrowings are expected to be recognised in the general government sector. Putting aside Homes Tasmania, we are supportive of that being brought into the public service because it never should have left it, but I want to go to the Mac Point Development Corporation's debt, \$490.7 million would be borrowed by the Mac Point Development Corporation to build the stadium.

I heard yesterday that it's still unresolved as to what to do with that debt, whether it travels with the stadium when it goes to Stadiums Tas or whether it gets subsumed. Is the government assuming that debt into the general government sector an option that is being considered? Also, the servicing of that debt, I would like to just confirm; I heard yesterday, it's upwards of \$30 million in the years beyond the forward Estimates, \$31.3 million in 2031-32, \$32.6 million in 2032-33, every single year. I want to have you confirm that that comes, and is paid for, through the general government sector, which is the same place we pay nurses, teachers, police officers and the like?

**Mr ABETZ** - Well, the general government sector pays for everything, possibly including your salary, Mr Bayley, so let's get everything into context there.

**Mr BAYLEY** - Can you confirm though that it's going to pay for the stadium debt servicing? Is that correct?

**Mr ABETZ** - In relation to the placement of the debt, that is still to be determined by government and how that will then be allocated still remains to be determined. But, you know, the economic enabling of the stadium, which will then provide dividends for the Tasmanian community, needs to be taken into account as well when considering the debt-servicing, however that might occur, as I understand that that hasn't been fully determined as yet as to whether it be with Stadiums Tasmania or remain with Macquarie Point. Secretary, can you provide further details?

**Mr BAYLEY** - But before you do, I'd just like you to confirm. So we've had it confirmed that there's \$30-plus million every single year that will be paid to service the Macquarie Point debt, that is paid from the general government sector, the same places we pay nurses, teachers

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**Mr ABETZ** - Mr Craigie?

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**Mr CRAIGIE** - The current budget has grant funding to the Department of Premier and Cabinet to support the borrowing costs of Macquarie Point over the Budget and forward Estimates period. That both appears in the Premier and Cabinet chapter and in the Macquarie Point Development Corporation chapter.

**Mr BAYLEY** - And confirming that that will be sourced from the general government sector?

**Mr CRAIGIE** - That's a grant from the public account to - sorry, it's an appropriation to DPAC to provide a grant to Macquarie Point Development Corporation.

**Mr BAYLEY** - Have you modelled that out beyond 32-33; we have, I heard yesterday, a \$32.6 million figure will be paid to service the debt, will be sourced or raised to service the debt in 32-33. Have you modelled that out beyond the years 32-33?

**Mr CRAIGIE** - Not at this stage.

**Mr BAYLEY** - Can I just confirm, then, in relation to the Homes Tasmania debt, when do you expect that to be brought into the general government sector?

**Mr SWAIN** - We're thinking that issue will be certainly a matter for discussion in next year's budget. Whether it can be determined at that point, I'm not sure, but it'll either be next year's budget or the one after. I think the intent is that it's next year but ultimately will depend on how quickly the machinery of government change can be progressed.

**Mr BAYLEY** - Just to be clear, if for example, the \$490.7 million of Mac Point borrowings is absorbed into the general government sector, the general government sector is already providing \$375 million for the stadium. Is that correct?

**Mr SWAIN** - Yes, that's correct.

**Mr BAYLEY** - So if it was to absorb also the \$490.7 million, then the general government sector, the same place where we deliver all of the services including a lot of people's salaries, would be paying \$865 million, or borrowing \$865 million, or hold \$865.7 million worth of debt at least.

**Mr SWAIN** - If I could, through you, Treasurer, just to clarify; the government's position is that debt will transfer to Stadiums Tasmania. In the discussion in the LegCo yesterday, I think I made the point that it's technically possible that it goes to the GGS instead, but that is not the government's current position - it will go to Stadiums Tas.

**Mr BAYLEY** - How does Stadiums Tas pay for it? You know, like even with this stadium, they earn a maybe a \$2 million profit at best. I'm not sure how profitable their other assets are. How does Stadiums Tas service a \$32 million every single year for that debt?

**Mr SWAIN** - I can talk to the process of that so -

**Mr BAYLEY** - Or are we likely to be funding that debt, \$30-odd million dollars, in perpetuity for them for the 30-year life of this stadium?

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**Mr SWAIN** - Firstly, Mac Point will enter into process with the Tasmanian Public Finance Corporation (TASCORP) to establish lending arrangements. That process will focus on construction because that's the role of Mac Point. If the government proceeds to then transfer that debt to Stadiums Tasmania, the ability for Stadiums Tas to be able to service the debt will have to be considered in future budgets.

**Mr BAYLEY** - And funded just like we're funding Mac Point Development Corporation to service it, \$30 million, potentially.

**Mr SWAIN** - We have to make decisions through the budget process to enable it to support the deal, if that's what -

**Ms JOHNSTON** - Thank you, Chair. Treasurer, when you announced your harm-minimisation package, it came as a surprise to those in the community sector, in particular off the back of the Deloitte's report which was released on the same day that you announced your harm-minimisation package. Have you sought advice from the chair of the Tasmanian Liquor and Gaming Commission in relation to your harm-minimisation package? In particular the features around ticket-in, ticket-out, and reintroduction of ATMs into gaming venues?

**Mr ABETZ** - Look, I have had had discussions with the chair.

**Ms JOHNSTON** - After you announced it publicly, or before that?

**Mr ABETZ** - Before I announced it publicly, I had a discussion with her.

**Ms JOHNSTON** - Did you seek her advice before you announced it in terms of - did you ask for her input into the policy?

**Mr ABETZ** - All I sought, as I do from everybody, their particular point of view in relation to various matters, but ultimately it is for government to decide these matters.

**Ms JOHNSTON** - When you asked for her point of view, was that in a timely way such that it could influence the outcome of your package, or did you just tell her before you announced it?

**Mr ABETZ** - The detail of those sort of conversations I'm not going to go into; different people might seek to interpret discussions differently, but was there dialogue between us? Yes, there was.

**Ms JOHNSTON** - Would you agree that the ticket-in, ticket-out system is at odds with what the Deloitte report says in terms of harm-minimisation and the efficacy of harm-minimisation and in fact would enhance revenue-raising through gaming machines if you had a ticket-in, ticket-out system without mandatory precommitment?

**Mr ABETZ** - I'm not going to go through a full analysis of the Deloitte report and some of the assertions in it.

**Ms JOHNSTON** - Your government commissioned it.

**DEPUTY CHAIR** - Order. Ms Johnston.

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**Mr ABETZ** - The report speaks for itself, and people can draw their own conclusions from it. The extent on which decisions are made can also be determined. That said, our policy remains on the basis that there is a national approach in relation to pre-commitment.

**DEPUTY CHAIR** - Treasurer, my question. Treasurer, can you update the committee on the impacts of the government's first-home owners grant is having in supporting Tasmanians into their own homes?

**Mr ABETZ** - Yeah, look, the first-home owners grant has been very well received by Tasmanians, and whilst the legislation has a foundation in it of \$10,000, an amendment was carried by the parliament which saw that increase to \$30,000, which finishes on 30 June this year. We, the government, have indicated that we would seek to - depending on how you look at it - yes, decrease from \$30,000 or increase from \$10,000, but a new figure of \$20,000 for the next 12 months and we will seek to expedite that through the parliament as expeditiously as the parliament will allow.

The latest Treasury data for the 25-26 financial year demonstrates that the policy is having a positive impact with 314 grants of \$30,000 approved, of which 161 grants have already been paid, with Treasury projecting a 55 per cent increase in grants approved in 25-26 compared to 24-25. To break this down further, two-thirds of the grants approved in 25-26 will be contract builds with a builder and one-third of purchases of what would generally be referred to as 'spec' homes.

These are encouraging figures, demonstrating a strong uplift in demand following the increase in the grant and translating into real housing activity and to jobs. This is what we were hoping to achieve with a policy. In summary, while there are always broader factors that influence housing activity, including interest rates, construction costs and labour availability, the data does show that the government's policy is working and supporting tangible outcomes for Tasmanian families and the construction sector.

**DEPUTY CHAIR** - Thank you, Treasurer. It being now 12.40 p.m., as agreed by the committee, examination of the Estimates contained in Appropriations Bill No. 2 may commence with representatives from the Tasmanian Audit Office outside the room. Hopefully they're there. Would the committee like the Audit Office representatives to attend the meeting? I take it the consensus is yes. The committee should note that will constitute Treasury officials leaving the table. However, if the deliberation with the Audit Office finishes before 1.10 p.m., Treasury officers may be asked to come back in that last thing because officially the time doesn't finish until 1.10 p.m. So, if the Treasurer officers could leave the -

**Mr ABETZ** - Before you do, Chair, if I may quickly clarify two answers in relation to Mr. O'Byrnes question about Boags. In fact, my office did receive a call at 8.49 a.m., with a message left on my Chief of Staff's mobile phone. So yes, we were notified, just for clarity.

Then in relation to the North West Regional Hospital, the Health minister's office has advised me that as per the tender documents, construction of the North West Mental Health Precinct is expected to begin in late 2026 and be completed in 2028. Additionally, the government remains absolutely committed to funding \$174.8 million to deliver the entire first stage of the North West Hospital's master plan as per the election commitment.

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Regarding the construction of the Northern Health Complex at the LGH, this will commence following the completion of the new dedicated Northern Mental Health precinct at Franklin St, which is expected in 2028. The budget papers simply reflect the projected allocation but do not necessarily align with projected timeframes where this occurs in a large capital works program funding is simply cash flow to ensure delivery. I thank the committee.

**DEPUTY CHAIR** - Thank you, Treasurer. I apologise to Hansard staff for the little bit of noise in the changeover. So, if the Audit Office people could come to the table, please.

Thank you to the members of the committee for that slight interference in the program. The Treasurer is here because he's named up, of course, in the documents as the responsible minister. Questions can go to the Treasurer, or they can go directly to the Audit Office. I would ask, for the benefit of Hansard, to introduce the members at the table, and then we'll move into the process.

**Mr ABETZ** - Very briefly, if I may, Chair, the Auditor-General and his officers, they're an independent statutory authority, and the other place doesn't have me sitting at the table with them. Here in the House of Assembly, the requirement is that I do, but as I did on the last occasion, I will not seek to answer questions or interfere in relation to the Auditor-General presenting as he deems appropriate. With that, if I may hand over to the Auditor-General, who can then introduce his team at the table.

**Mr THOMPSON** - Thank you. Chair, I'll just reiterate that yes, I am appearing as an independent statutory officer, independent of the Treasurer or any state sector agency. The team I have with me today is my director of Corporate Support and Governance, Janelle Tamlyn and my deputy Auditor-General, Jonathan Wassell. Perhaps if I could make just a brief opening statement and then I'll be happy to answer any questions that members may have.

There's been some conversation and I've been asked by a number of parliamentarians in relation to my budget, and my annual plan for 2026-27 has been prepared in accordance with the commitment made by the Premier and the Treasurer in response to the former member for Huon's request that funding be restored to Audit Tasmania to enable the completion of six performance audits annually.

I submitted my budget that would enable the delivery of that works program to Treasury and Finance in accordance with the required budgetary timelines. The budget required an increase in appropriation funding from \$2.7 million to \$3.1 million. Treasury officials advised me in March 2026 that the appropriation funding for our public sector performance and accountability output would be reduced from \$2.7 million to \$2.4 million, creating a gap of \$7 million from the budget that was submitted. This was done without any form of consultation or engagement with my office by Treasury officials.

The proposed funding in the Budget is insufficient to deliver the program of six performance audits and the other parliamentary reporting product that we deliver. And while I note I've received correspondence from the Treasurer indicating his recognition of the commitment, and that funding will be made available through end-of-year budget management processes, overall the processes lack the appropriate transparency and clarity to the parliament. And as such, I'll provide both an explanation of the reconciliation between the Budget information and the actual cost delivery of the audit program in my annual plan that I'll table in the parliament on 23 June.

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**Mr WINTER** - Treasurer, I know that you're separate to this. I acknowledge what you said earlier. But to save a bunch of time on this, are you able to provide any clarification or certainty to the parliament that this is going to be resolved and the Auditor-General be funded in line with your commitments to the former member for Huon, and to ensure that we've got an Audit Office that's able to deliver its full amount of work?

**Mr ABETZ** - This is a forum for the Auditor-General and I will not be answering any questions.

**Mr WINTER** - It's frustrating because I feel like this could be resolved fairly quickly with a response from you, Treasurer, to give us the certainty that the Auditor's going to be properly funded.

The Auditor's undertaken a number of reports in the last 12 months which have been warmly received by the parliament, particularly in recent times, the HRIS report, which, again, shone a light on an issue the parliamentarians have been asking about in this place for years. And secondly, of course, there's the work that the Auditor-General and his office has done in relation to the TT-Line and outlining to the parliament and to the Tasmanian people that there is a serious and significant financial issue within this company.

I'm concerned that the Auditor-General's office is not being funded because of the work that it's doing. Are you able to provide any confidence to the parliament that this agency hasn't been deliberately defunded or underfunded to stop it from undertaking the work that doesn't suit the government?

**Mr ABETZ** - Once again, I will not be answering questions in this section. I've been sitting at this table for 3.5 hours and there was the opportunity to ask about budget allocations for 3.5 hours. And now, trying to get me to intervene when an independent statutory authority is sitting at the table, I think you're entitled to ask it, but I suggest it shows a lack of judgement.

**Mr WINTER** - Treasurer, I'm not asking you to intervene. There's quite a distinct and separate role, and we all understand that the three members sitting here are from a statutory authority that's independent of government. That's very, very clear. You're also the person that decides how much funding they get under our system of government. I know a large number of parliamentarians here are concerned about the defunding of this organisation. I'm simply asking you to give us some clarity and certainty around how this is going to be dealt with, both in terms of your commitment to the former member for Huon. You've spoken in the House about wanting to ensure that even though the former member for Huon is no longer here, you want to keep to the commitments you made to him. One of those commitments was funding for the Auditor-General's office. Can you provide us with the advice on how you are going to resolve this to ensure that the Audit Office is appropriately funded to do all of the work that they need to undertake?

**Mr ABETZ** - Chair, I repeat my answer that I've previously given. An expression has been used, 'defunding the Auditor General'. On page 70 of budget paper 3, you can see how it increases from \$11.102 million to \$12.501 million over the forward Estimates. So to seek to describe that as 'defunding' in circumstances where the independent authority is sitting here, can I just say that I don't want to be -

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**DEPUTY CHAIR** - Okay, moving on.

**Mr ABETZ** - in a public dispute with the Auditor-General and I suspect he doesn't want to be in such a position either. The figures speak for themselves.

**Mr BAYLEY** - I have a question for the Auditor-General. I did ask some questions of the Treasurer in session earlier. I would paraphrase his response in terms of your concerns about funding in order to meet the work plan you have set, the minister tabled his response to your letter of early April - I'm sorry, I think it was Mr Wassell's letter. But the Treasurer tabled that and indicated that he was sort of rejecting your preferred option and going with the option that's clearly in the Budget.

I guess I would characterise the Treasurer's responses to your request for additional funding as: everybody wants more money, that it was an unreasonable request and that you should be able to do exactly what you have identified you need to do within the budget parameter that has been given to you.

Does the Audit Office have a lot of fat and excess capacity that is unneeded to deliver this work plan? Or are you relying on this level of funding to deliver the standard of audits that you have demonstrated over recent years?

**Mr THOMPSON** - In order to understand the funding and the adequacy of the funding for our office, it's important to understand the outputs. So, our financial audit service and sustainability audit services streams are the predominant source of funding. And they are increasing over the forward Estimates because sustainability reporting is becoming a requirement for a number of the *Corporations Act* entities and GBEs. That will result in an uplift in the audit fees because they're cost recovery. Equally, we've got an ongoing increase of about 3 per cent, I think, in our audit fees for the financial audits.

Our performance audit, which is funded out of our public accountability reporting line item, that funding is going down. It's going down from \$2.7 million to around \$2.4 million, and continuing along on that level for the forward Estimates.

**Mr BAYLEY** - That's not captured in the Budget though?

**Mr THOMPSON** - Yes, it is. On page 69 you'll see that output group, Public Sector Performance and Accountability.

**Mr BAYLEY** - \$2.49, yes.

**Mr THOMPSON** - It starts at \$2.72, which is the estimated outcome for the current year, and drops to \$2.4.

**Mr BAYLEY** - Yep, and then stays at that.

**Mr THOMPSON** - We effectively asked to identify as part of the Budget that that needed to move to \$3.1. What that funding provides is not just our performance audit activity. It provides the funding for us to respond to referrals. It provides the funding for us to engage with the parliament, stakeholder accountability, attendance at various committees and the like, preparation for those. And it also provides the funding to report to the parliament on the results

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of our financial statement audits under section 29 of the *Audit Act*, which represents four volumes. Our analysis around termination payments to executives in GBEs was done under that parliamentary funding on the results of the financial statement.

So there's a lot of work that we do under that funding, and then what's left, we deliver our performance audit reports. On this trajectory, rather than six, we'd probably be landing at about three performance audits.

And it's probably also worth noting that, in recent years, we've never provided six performance audits to the parliament. We've never had, in recent years, the ability to do that. We are planning to table three performance audits this year, two smaller follow-up audits and one targeted review.

**Mr BAYLEY** - Can you tell us what they are? What do they do?

**Mr THOMPSON** - Yes. The reports we're planning to table this year are the performance audits on management of landfill, human resource information systems, and management of gifts and benefits in the general government sector. We're also doing limited follow-up reviews of GM, and we've tabled that recruitment, and performance management in local government and a follow up review on management roads. We also tabled a referral, a review that we undertook as a result of a referral in relation to Wilkinsons Point.

Sorry, that's 2025-26. In 24-25 our performance audits were funded in the service organisations and shared services in the government sector, management of shared services. Three limited follow-ups on various orders that we previously performed. We also, in the prior year, did two referrals: one in relation to the Tasmanian Community Fund and its funding of support for the referendum, and a separately funded activity in terms of reviewing the length of detention and compliance with orders in relation to Ashley Youth Detention Centre.

We've done three performance audits, or we'll table three performance audits this year. We tabled two performance audits in the previous year.

**Mr BAYLEY** - Your response to this budget cut is not to do streamlined audits, let's call it, or - not shortcut audits; I wouldn't accuse you of doing that, but doing audits to budget, you would prefer to do a fulsome audit, but less of them?

**Mr THOMPSON** - We are required to report on the results of the financial statements under section 29 of the *Audit Act*, so we will need to continue to do that. We will need to continue to manage the referrals and assess the referrals that come into our office on a regular basis. We need to continue to do that. We'll need to continue to engage and connect with the parliament, and what we will have left will be insufficient to do six full performance audits, we would be lucky to do three.

Again, it's important to note our office is the only state sector entity that includes an audited performance statement in its annual report each year, independently audited, and it's the only office that has audited measures of economy and efficiency in its published reports

**Mr BAYLEY** - For your internal - you yourself are audited by an external auditor, is that what you're saying?

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**Mr THOMPSON** - Correct. We're audited by an external auditor in terms of our financial statements, as our all-state sector entities.

**Mr BAYLEY** - Have any of those audits ever shown that you're overspending in the work you're doing or that you're kind of over funded for what you're delivering?

**Mr THOMPSON** - No. We also benchmark our delivery of services, performance audit, financial audit and overall services - well, they're benchmarked independently against the eight other audit office jurisdictions in Australian states and territories. We are more efficient than most. We're the third most-efficient audit office and its only marginal in terms of hours that our team charged to put up product. Each team member is accountable for every six minutes that they work, and they record that across our entire organisation.

We're also the most efficient - sorry, second-lowest across all audit jurisdictions in terms of the cost per hour of audit services delivered. So, by all external benchmarks and internal measurements, we are a very efficient provider of both financial and performance audit services.

**Mr BAYLEY** - Thank you and -

**DEPUTY CHAIR** - Mr Winter.

**Mr WINTER** - Thank you. I think I dozed off there. Not because your questions weren't good, I was just concentrating on something else. Yeah, thanks for being here with your team, really appreciate it. Wanted to ask about the Human Resource Information System (HRIS) rollout. In your report, you reference on multiple occasions that 2024 Health did an internal review. Do you know what date that was presented back to Department of Health?

**Mr THOMPSON** - Look, I don't know the date off the top of my head, but I believe it was towards the middle of 2024.

**Mr WINTER** - Yeah. In that year, during parliamentary Estimates, it was actually Mr Shelton, who asked - this is in 2024, it was actually Mr Shelton that asked a number of questions about the roll out of HRIS with one of these one of these excellent questions. Mr Rockliff, the Premier, said:

The first of the new system, the HR case-management system, is now operational in the Department of Health.

Is that part of this HRIS review?

**Mr THOMPSON** - The HR case-management system was never part of the original business case. It was something that was created through the process and it's now no longer in use.

**Mr WINTER** - That's no longer in use?

**Mr THOMPSON** - That's our understanding.

**Mr WINTER** - When was it implemented?

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**Mr THOMPSON** - I'd have to go back, but it was not part of the original modules that were envisioned in the original business case.

**Mr WINTER** - Again, within that on 17 November 2025, the Premier, this is a separate occasion, told the House:

I'll also highlight an example of progressing key initiatives, the delivery of People Central, a single integrated human resource information system (HRIS) to manage all people working for the State Service. People Central will replace, empower in more than 40 legacy systems with a single integrated system, making HR processes simpler and more consistent and easier for staff and managers. We will also reduce manual processes and admin burden, freeing the frontline managers and focus on delivering services to Tasmanians.

Is that a good, accurate assessment of how the project was going?

**Mr THOMPSON** - At the time we completed our field work, which was around December 2025, that module hadn't been rolled out; we understand, subsequent to that, the model has been finalised and it's been rolled out, and forgive me, I'm not across the exact detail, but within the Department of Premier and Cabinet.

**Mr WINTER** - That 2024 review, are you able to tell us who conducted that review?

**Mr THOMPSON** - That's information that we've gained through the process of our audit. I would expect that that would be better asked to the department itself.

**Mr WINTER** - Okay .

**Mr BAYLEY** - I'm keen to understand: Mr Wassell wrote to the Treasurer on, I think it was 10 April by the look of the Treasurer's response, in relation to funding and funding of commitments. Obviously, the commitment that the government made to the former member for Huon was in very early December and the government explicitly says that they'll review the level of resourcing for the Tasmanian Audit Office in the lead up to the 26-27 budget and ensure that funding over the forward Estimates supports at least six performance audits per annum. Did you meet with anyone from government between early December and 10 April when you had to write to discuss funding and have any indications that that funding would be adequate to deliver those six performance audits?

**Mr THOMPSON** - We submitted our budget bid on 22 January. I would have had a stakeholder engagement meeting with the Secretary of Treasury and Finance where it was touched on, but it wasn't until Treasury officials advised us on 14 March that the, the budget bid was not accepted, that I then went back to the Secretary of Treasury and Finance after that point.

**Mr BAYLEY** - These two letters that have now been tabled, one on the 10th and one on the 17th, that's the extent of the correspondence.

**Mr THOMPSON** - From our side.

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**Mr BAYLEY** - From your side. In relation to this funding, do you see any other way you can deliver those six performance audits? Is there any other fundraising capacity or ability to meet that target.

**Mr THOMPSON** - The *Audit Act* itself, under the division that deals with the delivery of audits, both financial and performance, allows me to set a fee and to determine an accountable authority who has to pay that fee. I can do that for the delivery of performance audits. Historically - and I think it's the correct decision because performance audits are primarily derived at reporting and providing transparency and accountability to the parliament - it's been better that they've been funded by appropriation than a fee for service arrangement. I reiterate, I strongly support that approach, but there is the legislative ability to raise fees.

**Mr BAYLEY** - So you could to deliver the three performance audits under the current budget arrangement and you could conceivably, under the act, deliver three more and bill the government fee for service for that service?

**Mr THOMPSON** - Conceivably, yes.

**Mr BAYLEY** - Is that under consideration by your office, by yourself?

**Mr THOMPSON** - It's an option that we have considered and it's also an option that we've worked through the scenarios around - and again, bearing in mind that it is not the desired option or the desired outcome and I don't think it's the way to go. But it is as a matter of course something that we have considered how that could work.

**Mr BAYLEY** - Have you put that to anyone in government? Have you put that to the Treasurer or any of their officials?

**Mr THOMPSON** - We did - in our discussions with the secretary - indicate that we had that ability and that would be something that we would need to consider depending on how matters progress. The secretary's response was that that hadn't been the traditional way, and I would agree with that. It's also probably not the optimum way, and I would agree with that. But we've had no correspondence that would indicate -

**Mr BAYLEY** - It wasn't rejected outright, or it wasn't accepted.

**Mr THOMPSON** - Yep, correct.

**Mr BAYLEY** - When will you make a decision on how you approach this going forward? Will you do the first three in the first half of the year and then make a call later?

**Mr THOMPSON** - It's a little bit more complicated than that. So, we'll be meeting with the Secretary of Treasury and Finance, and I'll have a stakeholder engagement meeting with the Treasurer in June, where we'll explore ways how this can be addressed a) in the budget year and b) perhaps addressed in the longer term.

The challenge we have is, if we were to have to come down to that lower level of funding, then that would take us to a level of activity that would threaten the critical mass of my organisation in terms of its capability and skills. So, there's two things at play here - to be able

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to provide the credible, rigorous, evidence-based audits that we do, we need to have a certain scale, and to go below that will threaten our capabilities to provide audits to the level that are necessary.

**Mr BAYLEY** - So you're saying you may both need to scale back the amount of audits you do from six to three, and then those three audits may also be of a lesser quality, let's call it, not because of intent, or lesser scope or something like that. What would be the right word?

**Mr THOMPSON** - Well, I think they would be of lesser value to the parliament.

**Mr BAYLEY** - And as a result, the public?

**Mr THOMPSON** - Correct. I mean through the parliament to the public.

**Mr WINTER** - So on 23 September 2024 would it, in your view, have been accurate to say that the Department of Health had been progressing from building and configuring a HRIS system into developing it into a central employee database, a payroll engine, a system that monitors time and attendance, award implementation of four awards and 22 agreements, as well as recruiting and onboarding? And at that point in time, would you say that you could see the benefits in relation to delivering efficiencies across agency and across government?

**Mr THOMPSON** - I think it's fair to say that there was a system being built at that point in time. However, there were a number of key design issues that hadn't been addressed and the system couldn't be successfully built until those key design issues were addressed. The steering committee within the Department was aware and continued to manage through, or continued to project through several gates which shouldn't have been progressed through at that point in time.

**Mr WINTER** - Shouldn't have, did you say?

**Mr THOMPSON** - Shouldn't have. So, the project, the original business case was set up with a number of gates, which is the normal process for these sort of projects. So, before we move to a certain part of the project, we need to have addressed these issues.

**Mr WINTER** - Oh, I see.

**Mr THOMPSON** - Yes. And a number of those issues weren't addressed, but the gates were proceeded through.

**Mr WINTER** - So, I think in the response from government and also in the public debate about this, there's been some contention about whether the \$47 million was wasted or whether some of what was spent could be recovered through the new system that was going to be implemented in DPAC. What's your response to that? Do you think that any of that \$47 million of investment was able to be recovered, or was it simply lost and wasted?

**Mr THOMPSON** - It's a subjective assessment. The evidence we have on file from testimony and review of documents would indicate that there was limited value at the conclusion of the point which the project was transferred from Health to DPAC. So, that's what our evidence would indicate.

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**Mr WINTER** - In terms of that review piece, did the review make any conclusions about whether there was any value in the \$47 million that had been spent?

**Mr THOMPSON** - The review didn't go into a detailed analysis of the dollars, but it identified six or seven severe risks associated with it, and in terms of project delivery in the progress of the project. So, it certainly indicated that the progress hadn't been what was expected when we got to that point.

**DEPUTY CHAIR** - The time for this deliberation has concluded. The next portfolio to appear before the committee is the Minister for Macquarie Point Urban Renewal, which will commence at 2.00 p.m.

**The witnesses withdrew.**

**The committee suspended from 1.10 p.m. to 2.00 p.m.**

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### Macquarie Point Urban Renewal

**DEPUTY CHAIR** (Mr Shelton) - The time being now 2.00 p.m., the scrutiny for Macquarie Point Urban Renewal portfolio will begin. I welcome the minister and other witnesses to the committee and I invite the minister to introduce the persons at the table for the benefit of Hansard.

**Mr ABETZ** - Thank you, Chair. On my left is Ms Anne Beach, CEO of the Macquarie Point Development Corporation (MPDC), and on my right is Mr Mathew Healey, the Deputy Secretary in Premier and Cabinet, responsible for Strategy and Delivery.

**DEPUTY CHAIR** - Okay, thank you, minister. As the minister of the committee has agreed that all opening statements should be tabled rather than read. You now have the opportunity at the table.

**Mr ABETZ** - It will be foregone, Chair.

**Mr WINTER** - Thanks for being here with us this afternoon. Firstly, I'll just acknowledge I'm a member of the Public Accounts Committee and had a couple of hours of questioning the other day. So perhaps I'll leave some of my questions to others today.

My main question emanating from the budget papers itself is the model you've chosen to fund the Macquarie Point Development Corporation. It's very opaque and I am really keen for you, Treasurer, to explain not only how you are planning to finance the stadium, but the reason why you've chosen the model in order to do that.

**Mr ABETZ** - The funding model is that we use funds that are available from the \$375 million and the \$240 million of the AFL upfront before we engage in the borrowings, and then the borrowings will make up the shortfall of the build. Do you have a specific follow-up question?

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**Mr WINTER** - In terms of how this actually works and transacts, there'll be a transfer of funding to the Macquarie Point Development Corporation - that's the \$375 million - is that correct? And as part of that, when will the \$240 million from the federal government be drawn down and provided to the Macquarie Point Development Corporation?

**Mr ABETZ** - Can you answer that?

**Mr HEALEY** - I can. We, as you know, the previous FFA included some milestones to be developed once we had satisfied the other milestones, which we now have. So we're in the back end of discussions with the Commonwealth Government around establishing the forward-looking milestones for the delivery of the \$240 million to fund the stadium. So we expect to finalise that agreement in the very near future.

**Mr WINTER** - Will those milestones include housing and other components of the precinct, or will it be all around the stadium?

**Mr HEALEY** - They haven't been finalised, so I can't be absolutely definitive, but at the moment we're working towards those milestones, reflecting - So there'll be some initial payments made based on the planning approval and budget approval of the stadium, which we've already met. Then there'll be some additional milestones, most likely related to the program delivered by the lead contractor for the stadium. So we anticipate that all of the milestones for the payment of the \$240 million will be stadium-related

**Ms BEACH** - Through you, minister, just for reference, in budget paper 1 on page 145 in table 6.4, is the Commonwealth Payments for Specific Purposes, and the \$240 million is cash flowed in that table.

**Mr WINTER** - Is that all in the - What year is that?

**Mr ABETZ** - Over the forward years.

**Ms BEACH** - This is the current - sorry, yes, it has current and across the forward Estimates through to - it runs out in 2028-29.

**Mr WINTER** - And just the broader question, I guess, Treasurer: why have you structured it this way? So that, for example, you're still providing payments to Macquarie Point Development Corporation so they can pay the debt to the Tasmanian Public Finance Corporation (TASCORP)? Why have you chosen this model for funding the stadium?

**Mr ABETZ** - Sorry, I'm not fully -

**Mr WINTER** - Well, perhaps you can explain to us how this is actually being - the problem that we've outlined in the past is that the Macquarie Point Development Corporation is not capable of generating a huge amount of revenue. I know they've got a car park and a few other things at the moment. And normally when an entity takes on debt, it's got capacity to pay down the debt, but in this case the corporation doesn't. So, I guess I'm surprised that this is how it's been set up, and I just wanted to understand from you why you've set it up in this way, given that the corporation isn't likely to be able to generate enough revenue to pay down interest on the debt.

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**Mr ABETZ** - Well, look, that is at this stage, I don't think anything's been fully finalised in relation to who owns the asset and the debt. That's all being worked through as we speak. But, Mr Healey, do you have a bit more -

**Mr HEALEY** - The merits of providing setting it up so that Macquarie Point Development Corporation incurs the debt and the government supports them to fund the debt is that it's very transparent in terms of the debt that's associated with not only the stadium, but also the broader activation of the precinct. Macquarie Point Development Corporation, yes, is developing a stadium, but they're also activating the rest of the precinct and they'll also be working with TasPorts to activate the rest of the precinct, so by funding it in this way, those capital costs become quite clear in terms of how that's been managed.

**Mr BAYLEY** - Minister, I want to go to the EOI process in terms of the tender, unsurprisingly, and Webuild; it has been controversial, to say the least. It's a central company in the contracture joint venture who are bidding for the stadium and they've come under question because of a range of different allegations in relation to Western Sydney Airport Metro. The New South Wales Transport minister had to commission an investigation in September last year which found suspicious underpayments, tax fraud and inadequate workers compensation. Referrals have been made for criminal and other proceedings.

Last week in parliament we heard that you were seeking a briefing in relation to these allegations against Webuild. What advice did you receive? Can you give us an overview of that briefing?

**Ms BEACH** - So -

**Mr BAYLEY** - With respect, I'm asking the Treasurer, the minister, what you heard and did you get that briefing?

**Mr ABETZ** - I tabled a letter in the parliament in relation to those matters, having sought advice, and Ms Beach is able to give you further advice.

**Ms BEACH** - The investigation that you referenced is the Kimber Report that was commissioned by the New South Wales government. It's a confidential report that hasn't been released, but there has certainly been some media reporting on that report and, as you noted, there were some concerns raised around some of the activity on the Sydney Metro project. They relate mainly to Future Form, one of the subcontractors of Webuild and they've since been removed from that project.

In terms of the link to Webuild, it's then a case of, what did they do to manage that rather than the direct allegations.

**Mr BAYLEY** - Also, what did they do in terms of declaring it in the context of the expression of interest?

**Ms BEACH** - I'll get to that.

In terms of its relevance to the expression of interest process: there are a couple of things that need to be declared through that process that relate to evaluation criteria 3 and 4. As you referenced, the minister tabled a letter from the chair to the minister that outlined that we have,

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as part of our suite of adviser support, through that process that included legal and probity advice and that we were confident we have compliant bids. That was also commented, in addition to that overarching statement, specifically to some elements that were in criteria 4 that Mr Winter raised the other day.

There have been subsequent questions around a few other elements that relate to criteria 3 and the demonstrated capacity and capability of the respondent to manage financial and contractual risk in the delivery of the project of its size and nature. As I think you're aware, there's some specific disclosures that they need to sign. The two areas that were raised in relation to part A, any other claims and disputes which are on foot and subject to litigation, arbitration or determination by an independent expert.

The allegations that exist do not relate to, they're not currently subject to a formal litigation, arbitration or formal determination by an independent expert which relates to a form of formal dispute. They are allegations; there's no activity that has started there.

The other one was in part B, clause 16 in relation to any other circumstances which may impact the respondent's to meet its contractual obligations, including a regulatory or law enforcement agency, investigations of the respondent, related organisations or principals. It's important to note that the Kimber Report doesn't relate to a body that is regulatory or law enforcement. There have been the findings that have subsequently been referred in relation to the activities of Future Form but the report itself does not represent that and there's nothing to suggest there'd be issues with their obligations under contract. We don't have concerns with the compliance of their bid. We did have legal and probate advisors in our suite of advisers throughout that process, and we've checked that again to be sure and we still have the same positions.

**Mr BAYLEY** - You still don't have concerns about their bid?

**Ms BEACH** - They still are compliant bid. There's a number of protections through the process. We're now in the request-for-tender stage that they were invited as part of construction joint venture to participate in. Through the tender process, we will again be assessing a fair bit more detail this time around methodology. That includes exploring the information that's provided to us and anything publicly available, including we can also engage in terms of their activities with other government entities. This allows us to explore those if we have concerns.

We're not aware of the specific contract on which they're operating, but we have a number of protections in our contracts as well. The contract that was released as part of the EOI to make sure they were confident they could comply, includes protections around subcontractors. The allegations you refer to include around cash payments and non-payment of subcontractors. In our contracts, we have the ability to withhold funds and to pay subcontractors directly if we have any concerns. It makes sure we can make sure people are paid appropriately and this protections for that.

**Mr BAYLEY** - To the minister, do you understand that - it is Future Form only or is it Webuild itself that's being investigated? Have you put in a call to any of your New South Wales counterparts to try to understand and unpack this company further?

**Mr ABETZ** - No, I haven't put in any calls. Indeed I recall a press release, I forget who it was from, suggesting that I should ring my Liberal counterpart treasurer in New South Wales,

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and of course it would be a Labor treasurer in New South Wales, we will overlook for that little situation.

I'm satisfied that we have exceptionally talented individuals undertaking this work with probity and legal advice, second-to-none. I don't see a need for me to try to insert myself over the top of them, questioning their capacity or their ability to undertake the requirements of the expressions of interest.

I think Ms Beach has given you a very good and thorough explanation. I have sought from her and MPDC confirmation, as I was able to show in the letter that was tabled, I think on the last day of sitting.

**Ms JOHNSTON** - Treasurer, *The Age* reported on 8 May 2026 in relation to the Webuild inquiry by Kimber:

The inquiry, commissioned by the New South Wales Government, found about 10 subcontractors working for global construction giant Webuild may have broken a range of civil or criminal laws on one of the biggest projects in the state's history. The government, the Minn's government, urgently called in multiple state and federal agencies to conduct further enquiries, including the National Anti-Corruption Commission, New South Wales Crime Commission, the Tax Office and the Fair Work Ombudsman.

And then it quotes New South Wales Transport Minister John Graham saying:

The disturbing findings of investigator Max Kimber SC will now be put in the hands of the right agencies with the coercive powers to investigate this matter fully.

How on earth is that not a matter for determination by an independent expert that was on foot at the time that the expression of interest's process was underway?

**Mr ABETZ** - It's very important, and I was just confirming the timeline here, that moving through the gateway from expression of interest to tender occurred before the 8 May - if I can have that confirmed, thank you Ms Beach - and so reports that occur afterwards are unable to inform a decision made beforehand, so take that into account. Further, there were some very qualified words, and I think you had 'may have' to a quote part of your question. So, nothing has been found in relation to the matters and, as Ms Beach has indicated, it relates not so much to the head contractor, but to the subcontractor, his name is Future Form.

**Ms BEACH** - Future Form.

**Mr ABETZ** - Future Form.

**Ms BEACH** - And some downstream subcontractors.

**Ms JOHNSTON** - How though, is the Kimber inquiry not a determination by an independent expert, one that's been stood up by the New South Wales government? It was on foot at the time that the expression of interests were open and were due. There was an independent expert inquiry into the conduct of Webuild, such that the state - that the New South

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Wales government is withholding payments. They demanded that Webuild dismiss its subcontractors. They're withholding payments. There are allegations moving forward.

I'm not suggesting - and this is not a matter about whether, in fact, those matters will finally be determined either in Webuild's favour or not; it's about the need to disclose critical information. It's not about whether or not, ultimately, after these investigations are concluded, whether Webuild's allegations have been found to be correct or not; it's about disclosure and honesty in the expression-of-interest process. This is a serious matter. Clearly, the New South Wales government are very concerned about Webuild's conduct and their ability to manage subcontractors, which is critical to QEC3 financial and contractual risk management and financial capacity assessment, major questions asked on a significant project in New South Wales about that, and they have failed to disclose.

**Mr ABETZ** - Well, you've already heard the answer that they haven't failed to disclose, and the probity and legal advice was that it was in order. Then since those revelations, it has been revisited, as I understand it, by the property and legal advisers and they believe that the tender is appropriate to proceed: but please, Ms Beach.

**Ms BEACH** - Through you, minister, the clause needs to be read in full. So:

... any other claim or disputes which are on foot and subject to litigation, arbitration or determination by an independent expert.

In the 'determination by an independent expert' is referring to a formal dispute mechanism similar to a litigation or arbitration. It's the full clause that needs to be considered.

**Mr ABETZ** - So, it's any other claims and disputes which are on foot and subject to litigation, and these allegations are not subject to litigation or arbitration.

**Ms JOHNSTON** - Litigation, arbitration or determination.

**DEPUTY CHAIR** - Mr Jaensch has the call.

**Mr JAENSCH** - Minister, in your last couple of responses, you referred to the process of securing a contractor and that it proceeds in multiple stages. For those listening and watching this, could you please just explain the sequence of stages in that, securing a tender process, where we are now and what the engagement is that MPDC has with participants in the process?

**Mr ABETZ** - Look, what we had initially was an expressions of interest, which some describe as a beauty parade - does the company or joint venture have the financial capability, the track record, et cetera, tick a whole lot of boxes to make sure that they are capable of potentially delivering; then once that process was gone through, two were chosen to proceed through the gate for a request for tender. We are currently in that active process of considering which one of those two will be the successful bidder for the construction of the stadium. So, it's very important that we keep those two tenders, creating the creative competitive tension that we want, and get the very best possible build. Ms Beach, do you want to add anything to that with the process?

**Ms BEACH** - Through you, minister, just to note we have undertaken a two-stage - we are undertaking a two-stage request-for-tender process. That came back through our market

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sounding around approaching it that way. It does take a little bit longer but the advantage is at the end of this first stage, where both parties are putting together a methodology, preparing all of their responses, we can then have a targeted process at the end which allows for further refinement. It gives us more certainty on price and it allows for more time for engagement with local contractors. So, it's a really valuable element for us to maximise participation.

**Mr JAENSCH** - What's MPDC's role in a back and forwards with the contestants at this stage of the process?

**Ms BEACH** - Through you, minister, it is a very busy time for us and our design team and consultants. So, through the request-for-tender stage, through this stage 1, there is the opportunity for interactive workshops, there's a number of rules about how they operate, and both bidders have taken those up, and they're keeping us quite busy with workshops where they are open to explore different topics. We make our team available, and it means it can be as informed as possible when we get those bids and minimise assumptions and I guess, over-costing risk, where we can provide detail where it's relevant.

**Mr JAENSCH** - This is in the interest of no surprises and variations when they put their bid in.

**Ms JOHNSTON** - Chair.

**Mr BAYLEY** - Chair.

**Ms JOHNSTON** - Chair.

**Mr BAYLEY** - Chair, that's the third question.

**Ms JOHNSTON** - That's the third question.

**DEPUTY CHAIR** - I will allow the question.

**Mr JAENSCH** - No, no, I was just confirming.

**Mr ABETZ** - Yes. It has been confirmed.

**Mr JAENSCH** - Thanks.

**Mr ABETZ** - Ready to roll: who's next?

**Ms DOW** - Through you, minister, really to Ms Beach, I wanted to understand around the Aboriginal cultural experience that's going to be on the site at Macquarie Point, that's part of your masterplan, and to understand what stage that is at and who you have consulted with.

**Ms BEACH** - So, through you, minister, as part of the precinct plan, there's an Aboriginal culturally-informed zone which is on the western side of the site where the original land is. Through that process we commissioned CMHA, central - I will check I've got the acronym right - to go and engage and put together a team of Aboriginal people to engage with Aboriginal people. That highlighted the opportunity, I guess, to do a range of things. At this stage in the process, we are progressing the stadium as stage 1, as set out in the precinct plan, and the

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delivery of the Aboriginal culturally-informed zone will be part of stage 2, stage 3, so we've got a clear space. We need the space that's available on the site for laydown, so access all the machinery we will need to move around, and when that's clear, then the full development of the Aboriginal culturally-informed zone can be progressed. It's important - we will have advisers throughout the process, but it's important that when we do a deeper consultation closer to the delivery of that, so we can ask the community about what they want to see, and make sure it integrates with other things that might be happening around the city and around the state, so it's not an isolated development.

**Ms DOW** - Are you able to provide a list of those that have been consulted with to date, if I put it on notice?

**Ms BEACH** - Through you, minister, there's a technical note on the TPC website from the PoSS hearings where we've listed all of those, and happy to -

**Ms DOW** - So that's still the current - yes, okay. Nothing further. Thanks.

**Mr BAYLEY** - Just for clarity, minister, we've heard a lot, then, about the allegations against Future Form and the investigations, but Webuild themselves as an entity are under serious question, and it has been raised and it's reported in media that Webuild were accused of covering up the allegations against its subcontractor and improperly managing them. So just to be really clear: is it your understanding that Webuild themselves were investigated by the New South Wales government, or have been referred to other bodies, or is it just the contractor, Future Form?

**Ms BEACH** - Through you, minister, the allegations that have been reported are focused on the activities of the subcontractors, and then in relation to Webuild, the question is then: how much did they know and then how did they respond? They're matters for them to -

**Mr BAYLEY** - And so, are they being investigated? That's the question.

**DEPUTY CHAIR** - Mr Bayley, please don't interrupt.

**Ms BEACH** - Through you, minister, it's a confidential report. So, to the extent that the full report has been referred to regulatory bodies, it's then a matter for them to investigate.

**Mr BAYLEY** - And, minister, these have been referred on to the New South Wales workplace relations minister, Fair Work Ombudsman and the federal police as we understand it. Do you know if these referrals relate to just Future Form or whether they also relate to Webuild?

**Mr ABETZ** - Look, that I don't know. I don't know if -

**Ms BEACH** - Through you, minister, I understand the report has been provided and it's then up to those bodies to resolve what next steps they would take. It's important to note that we're in a tender process and the point for us to assess those bids and any other relevant information is at the point of receiving the bids. So, in the tender documentation process we're able to undertake investigations and similar. So that would be the opportunity for us to then engage and get any further information we might need.

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**Mr BAYLEY** - And in relation to the tender process, and you go through this whole process and select a successful tenderer, when it comes to the point of actually signing the contract, who is it that signs the contract? Is it you as minister or will it be the chair of Macquarie Point Development Corporation? How is that structured and what's your involvement in that, minister?

**Ms BEACH** - Yes. Through you, minister, it is the chair. So, we have to operate within parameters that are set by the government, including budget, and to the extent that we have something that operates within that, we have delegation to deliver that. If we are needing to go outside of those parameters, we would need to bring that back to government. So, we can only sign a contract that's in keeping with what we've been asked to do.

**Mr BAYLEY** - And, minister, do you approve that, or do you give the green light to the chair signing that contract? Have you got an active role in authorising and approving?

**Mr ABETZ** - As I understand it, and I will be corrected or my answer nuanced appropriately, but as I understand it, the parliament has put forward a mechanism that has the chair signing the contract. That said, there may be some discussions between myself and the chair; but as I understand it, ultimately it is the chair's responsibility to sign.

**Mr HEALEY** - That is correct, minister. Macquarie Point Development Corporation are of a statutory character; they can enter into these agreements. It probably relates a little bit to the funding model, this is Macquarie Point Development Corporation delivering under their statutory terms.

**Ms BEACH** - Through you, minister, it is important to note we're not working in isolation. There's an extensive governance program that we need to work to which includes monthly oversight committee meetings, monthly committee of Cabinet meetings, quarterly public accounts. We're needing to report on and get asked some pretty rigorous questions on how we're going, that's monitoring spend process, other work that's associated with it. So, to get to the point of signing, we're going through that constant review process.

**Mr HEALEY** - Just if I can, through you, minister, so the governance oversight and assurance framework is what guides the relationship between the oversight arrangements and the corporation in its role to deliver the project. The project parameters set out the terms within which Macquarie Point need to work and those project parameters are referenced in the relationship between the minister and the corporation. So, whilst the corporation has statutory responsibilities for delivering it, the terms upon which it's delivered is certainly guided by government and the minister.

**Ms JOHNSTON** - Treasurer, the letter from Mr Edmunds you tabled in parliament, I think, on Thursday last week, relates primarily to advice you've received in relation to condition 4, which is around the social and economic benefits, and the requirements under that particular condition around industrial instruments and action taken around industrial instruments. My questions have been specifically about condition 3, and again: have you received specific advice that Webuild have adequately disclosed, or not disclosed, any other claims and disputes which are on foot and subject to litigation, arbitration or determination by an independent expert, and whether that would include the Kimber Inquiry as an independent expert around claims and disputes, and whether they have complied with part 16 which says:

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...details of any other circumstances which may impact the responsibility to meet its contractual obligations, including:

- (a) regulatory or law enforcement agency investigations of the respondent, related organisations or principles.

Noting that this part 16, sorry, is 'including', so it's not an exhaustive list; would it be your expectation that a company such as this, which is well known to be under investigation in New South Wales for significant issues relating to a major project there, ought to have disclosed that in full of frankness through the expression-of-interest process?

**Mr ABETZ** - Look, it is very flattering of you to ask that question, because inherent in that question is the suggestion that somehow I would know better than the probity and legal advisors engaged by Macquarie Point, and it's a flattering consideration -

**Ms JOHNSTON** - I'm asking have you received advice?

**Mr ABETZ** - but, can I tell you I don't succumb to that flattery, and I happen to believe that the probity and legal advisors are best suited and qualified to undertake that work and provide advice to MPDC; and, you know, should you wish to put on the public record that Eric Abetz would know better than the probity and legal advisor, that would be very nice and flattering, but, if I were asked about it I would have to deny it.

**Ms JOHNSTON** - Treasurer, I'm asking you: the letter you tabled in parliament on Thursday last week relates to condition 4. I'm asking you whether you have received advice from the chair or someone else in relation to condition 3, and Webuild's obligation to disclose the Kimber Inquiry under condition 3? Have you received that advice?

**Mr ABETZ** - The total requirements under the expression of interest, the totality of them, were looked at by the probity and legal advisors and therefore it stands to reason - and you can ask about individual clauses - but I suspect they would have had a look at each individual clause and come to the conclusion that this particular expression of interest was allowed to move through the gateway to the request for tender.

**Mr JAENSCH** - Minister, through you, in an answer to the last question, Ms Beach talked a bit about the governance, assurance, and oversight mechanisms that apply to this project. These are clearly areas of significant public interest, and have been throughout the discussion about the stadium, and particularly in relation to the money involved. Could you please unpack that a bit further? What layers of governance and assurance and oversight exist, and who's involved in them, so that we get a clear picture of that, anyone watching or listening to this can see what safeguards are in place?

**Mr ABETZ** - Thank you very much. That's a very important question. There are very strong governance arrangements in place for the Macquarie Point Urban Renewal Project. From the government's perspective, there's a dedicated Macquarie Point Urban Renewal Committee of Cabinet and the subcommittee of Cabinet is dedicated to overseeing Macquarie Point-related projects. That Cabinet committee includes myself as chair, the Premier, the Minister for Sport, and the Minister for Infrastructure and Transport. The Cabinet committee also receives advice from the Macquarie Point Urban Renewal Oversight Committee. The oversight committee is chaired by the secretary of the Department of Premier and Cabinet and

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includes the secretaries of Treasury and Finance, and State Growth. In addition, representatives from MPDC or Stadiums Tasmania are also in attendance on matters relating to project delivery.

There are a number of regulators involved in the implementation of the order that passed the parliament. Their approvals and the implementation of the order more broadly are monitored by a probity advisor who provides updates to the oversight committee. At a delivery level, the corporation's work is overseen by a board, supported by an audit and risk committee and is accountable to myself as minister. At the project level, governance includes engagement with stadium user groups, regular meetings with Stadiums Tasmania as the future owner and operator, project management meetings, and order implementation regular meetings. The project delivery is supported by expert consultants, advisors, and project controls. Project-level quality assurance and oversight include third-party reviews at key design stages, support from a procurement probity advisor, value-management reviews, and expert advice of key project documents and management plans. MPDC is also being advised by some of Australia's leading infrastructure experts in Ken Kanofski and Peter Hynd.

Macquarie Point Development Corporation has been and will continue to use Infrastructure Tasmania's project assurance framework. The assurance framework is an established project-management tool that is used to provide detailed and independent project reviews by a panel of relevant experts at stages throughout design and delivery for large infrastructure projects. It involves independent expert reviews at key stages of the project's life cycle to assess its health, viability, and readiness to proceed. Key components include gateway reviews, health checks, deep dives, and regular progress reporting. This includes periodic gateway reviews and health checks.

**Ms JOHNSTON** - That's a long answer, Chair.

**Mr ABETZ** - A very long answer, but it goes to show the extent of the assurances; and the person that finds all the faults with the project is the one that complains when we read out, chapter and verse, all the assurances and frameworks that are in place.

**Ms DOW** - Minister, the Macquarie Point Development Corporation has had to develop a site masterplan with TasPorts around the movements in and around the port facility, particularly during construction and moving materials on and off site; that's been established, is my understanding, but are there any issues with that current workings of that plan that the committee should be aware of, or any updates that you can provide?

**Mr ABETZ** - Ms Beach.

**Ms BEACH** - Through you, minister, so, there's an access and coordination committee that meets. That includes the project directors from our team, TasPorts, because there's the wharf redevelopment happening, there's work being done by TasWater, and is also State Growth for the northern access road. So the intent of that is to make sure we're sharing our work programs and aware of different movements so that we can minimise impact on people around us. So that's the actual, I guess, coordination piece that happens there.

In addition to that, we have been having conversations with TasPorts around making sure, as part of implementing the broader precinct, the master-planning we're doing speaks to each other. So that's looking at where we place infrastructure, where development parcels will be,

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and so that someone walking through it, it feels like a cohesive piece of work. That's a live piece of work. We have signed a MOU between the two parties that reflects the scope of the things that we will be working on together.

**Ms DOW** - Is it a public document?

**Ms BEACH** - Through you, minister. It's not.

**Ms DOW** - Would it be possible to table it, minister?

**Mr ABETZ** - Look, there might be some commercial sensitivities in it, I don't know, but willing to take the question on notice and consider it. Whilst I'm speaking, Chair, if I may, we have just been joined by Mr James Avery, the CEO of Stadiums Tasmania, at the table and I think he was detained elsewhere prior to coming here.

**Mr BAYLEY** - Look, just to be 100 per cent clear, minister, the media are really clear and explicit in reporting that Webuild was subject to an investigation, and I'm not talking about here the investigation that flowed from the Kimber report; I'm referring to matters that were referred by a minister to the Fair Work Ombudsman last year, I think in around September. So the question really is: were Macquarie Point Development Corporation aware of this particular referral? Are they aware as to whether or not the Fair Work Ombudsman is actually investigating or was investigating Webuild, because it goes all the way back to September last year? And I guess a follow-up question is: would a Fair Work Ombudsman question be something that should have been devolved in the EOI process?

**Ms BEACH** - Through you, minister, there's a number of disclosures that need to be made. It is a precondition of the tender around compliance with the commonwealth safety commissioner act, the work health and safety accreditation scheme. I'm not aware of any issues that would impact on Webuild as part of the construction joint venture's participation in that process.

**Mr BAYLEY** - Were you aware of the September investigation and referral? The investigation by the Fair Work Ombudsman, was that declared?

**Ms BEACH** - Through you, minister, something that specific I would need to check.

**Mr BAYLEY** - You need to check?

**Ms BEACH** - I don't have the submission in front of me. I've noted that there was some investigation related to the Kimber report. In terms of specific things, I don't have that material in front of me and I would need to check.

**Mr BAYLEY** - Just to say again, would you consider that a Fair Work Ombudsman investigation would be something that they should have declared?

**Ms BEACH** - Through you, minister, it depends entirely on the details around that and at what stage it's at. It's important that we allow fair and due process, and when allegations can be made, that doesn't mean there's actually -

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**Mr BAYLEY** - So, just to be clear: is the threshold for reporting the details and exactly what's happening, or is it the fact that they have been referred and that they are being investigated in the first place?

**Ms BEACH** - It has to be -

**Mr BAYLEY** - What is the threshold?

**Ms BEACH** - Through you, minister, it has to be - allegations can be made. There actually needs to be a process -

**Mr BAYLEY** - We're talking about an investigation. We are talking about a Fair Work Ombudsman -

**DEPUTY CHAIR** - Mr Bayley, you've asked the question. You will allow that question to be answered before you ask another one, please.

**Mr ABETZ** - And, as I understand it, since these matters have been aired publicly, the probity and legal advisors - is that correct? Yes - reviewed their initial decision and have found no reason to change their assessment that this joint venture was entitled to move through the gateway from expression of interest to tender. You know, if you're trying to say that Ms Beach or myself should substitute ourselves for the probity and legal advisors, that's very flattering to both of us, but I think we would be best served by relying on the professional probity and legal advisors.

**Mr BAYLEY** - Have you actually checked as to whether the Fair Work Ombudsman is investigating them?

**Mr ABETZ** - Once again, whether they are or not, the decision making in this area should surely be left with the professionals who are the probity and legal advisors.

**Mr BAYLEY** - Through you, minister, to Ms Beach, are you aware and have you checked as to whether they're being investigated by the Fair Work Ombudsman? Is that something the probity advisors have checked?

**Ms BEACH** - Through you, minister, I don't have that specifically in front of me. I would have to check.

**Mr BAYLEY** - Can you take that on notice?

**Mr ABETZ** - Yep.

**Mr BAYLEY** - Thank you.

**Ms JOHNSTON** - Treasurer, how many expressions of interest were received and how many of those were compliant expressions of interest?

**Mr ABETZ** - Although I recall somebody in the parliament asserting and never withdrawing that there was only one expression of interest -

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**Ms JOHNSTON** - Compliant expression of interest. I'm asking you how many were received overall.

**Mr ABETZ** - This might be an occasion for the record to be corrected, but -

**Ms JOHNSTON** - If you could just answer the question, Treasurer, how many received -

**DEPUTY CHAIR** - Ms Johnston, order.

**Mr ABETZ** - What occurred was that from the expressions of interest, two proceeded to request for tender, and, as I understand it -

**Ms JOHNSTON** - That's not the question I asked.

**Mr ABETZ** - that is what was always planned, to have two to go forward to seek competitive tension, creative tension, and ensure that we get the best possible outcome.

**Ms JOHNSTON** - That's not the question I asked, Treasurer, and you know that. I asked: how many expressions of interest were received, how many of them were deemed to be compliant expressions of interest?

**Mr ABETZ** - I assume there may be confidentiality aspects around that.

**Ms JOHNSTON** - A number is surely not confidential. Were there five expressions of interest received? Was there great interest internationally and globally? Was it 10, 15, 20, of which two have been progressed through? How many were there?

**Ms BEACH** - Through you, minister, as we're in active procurement process we don't disclose details around the submissions received.

**Ms JOHNSTON** - This process is finished, we're moving two through to the request for tender process. Surely it's not confidential that we received 10, maybe eight of those weren't compliant because they were too small in terms of their venture. How many did we receive overall and how many were deemed to be compliant to then therefore take through two, as you had previously identified you'd be taking two through to the next round.

**Mr ABETZ** - I think we have to be exceptionally careful in this space. What I'll do is I'll take it on notice and we'll see what the information can be appropriately supplied.

**Mr WINTER** - It was also taken on notice in the Public Accounts Committee, the same question. I don't know if that answer was provided there or not though.

**Ms BEACH** - Through you, minister, no, and we received those questions today.

**Mr JAENSCH** - Minister, I understand and saw in my neck of the woods the roadshow showcase for the precinct design that you took out to show Tasmanians where they live and to get feedback on it. Could you give us some report on the outcomes of that process and the feedback that you received?

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**Mr ABETZ** - The roadshow has been exceptionally popular and I confess I may have had something to do with it starting off in the Huon in that great electorate, Mr Winter of Franklin.

**Mr JAENSCH** - People who live so far from Hobart. Remote Region.

**Mr WINTER** - That's the best thing you've said all day, Treasurer.

**Mr ABETZ** - It was very well received by the Huon community and as it has travelled around the state it has received lots of visitors and people have been very impressed how they can actively engage with the displays including colour of seats, voting for the colour of seats etcetera. There's a great degree of interest in it and if I may, I'll pass over to the CEO to give us details.

**Ms BEACH** - This follows on from the design showcase we had on site at the Goods Shed, but our intent was to just make sure that was accessible to everyone. We did observe an older cohort, so we want to make sure that was accessible to everyone around the state. Starting on 17 April in Huonville, as the minister noted, we then ran through finishing in Queenstown on 21 May, so visited Huonville, New Norfolk, Campbelltown, Launceston, Bicheno, Devonport and Burnie. Of those, the northern locations were the most popular, so Devonport then followed pretty evenly Burnie and Launceston. It was manned by our staff, so it was a good opportunity for the team to engage directly with members of the public. And it's quite nice to have some really constructive conversations. It was overwhelmingly positive.

Key things that people asked about were things around the use of timber, Tasmanian timber, maximising Tasmanian jobs and the opportunities for Tasmanians. There were quite a few footy fans who just wanted to come and see and touch something to do with the stadium. And there was a lot of interest around the activation of the site and what it will be like on major event days.

For us, it's a really useful way to communicate in a practical way how much design work has been done. The reference to being at '70 per cent detailed design' is a design term and quite confusing for people not living in that space. So it was a way for people to actually come and see the extent of the designs and the works all the way down to for each of the different spaces, be they media spaces, corporate suites, the function room, the level of design and effort and budgeting that has gone into the specific finishes. So, there were samples of the different carpets, the different finishings on different products to touch and feel. So it helps make it real. And importantly, on our website there is a digital version of all of those display boards for anyone that's interested that was unable to get to the showcase.

**Mr JAENSCH** - Pursuant to that, this issue of 70 per cent design, how do you answer that question for someone who doesn't do this for a living?

**Ms BEACH** - Yeah, it's an important question because we do speak in design language and it is a bit confusing. The design process starts from concept and finishes at IFC, so issue for construction, or I guess at that point you'd get to 100 per cent. Moving through from concept, it's progressively adding more detail to the plans. At the time of the POSS submission, we're at schematic. We start at concept, where we release those concept designs that were based on architectural drawings. Then at schematic. And then we've filled in more detail working

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through in the internal spaces, working through users and James Avery's teams at Stadiums Tasmania, as the ultimate owner and operator of the facility.

So going through that process, the difference, I guess, between schematic and where we are in detailed design now at 70 per cent is the extent of information. In our BIM, which is an electronic version of all the designs, which was available at some of our showcases, you could drive round and actually see a digital version of the designs. That's where every door handle, every pipe, every door, there's door schedules, you can see and feel every part of the venue.

The difference between being at 70 per cent design, where we are now, and issue for construction is purely a documentation advancement. So you need to know the exact products that you're going to use to complete the specification. It's not a change in the actual design itself.

**Mr WINTER** - Back to the finances around how it's established, Treasurer. The Macquarie Point Development Corporation over time, it's been receiving a subsidy or a grant of around \$5 million which will increase to 6.5, then 8.5, 15 and then 30 by year 2029-30. Is that where the amount of grants and subsidies will peak, or have you modelled that the amount of support it needs will get higher than that? And if so, what's that number?

**Mr ABETZ** - Well, it's ramping up with the development of the stadium, in particular. But as you quite rightly point out, the MPDC is responsible for the totality of the precinct.

**Ms BEACH** - There're base operating funds there. As you noted, it goes from \$6.5 million, to \$8.5 million and then increases in 2028-29. At that point, in 2028-29, is when there's additional funding to service the loans. That includes interest. So, in 2028-29, the budget papers have \$15.8 million. So, \$8.5 million of that is operating, similar to the year before, and \$7.3 million is for interest and servicing of borrowings. In the following year it's the same, so \$8.5 million of that is operating and the balance is interest to service the loan.

**Mr WINTER** - I might be looking at a different table, but for 2029-30 there's \$30.8 million. Is that -

**Ms BEACH** - Yes, sorry, so 15.8 in 2028-29, and then in 2029-30 there's 30.8. In both of those, that 8.5 is our operating funds, and funds above that are for servicing the loan.

**Mr WINTER** - So it'll be about \$21.5 million for debt servicing by that stage. What's the peak debt that Macquarie Point Development Corporation is expecting to take on? And what year does that occur?

**Ms BEACH** - The main construction peak's around 2029-30. So, closing out that, we'd expect to be servicing the loan through till 2031-2032 through defects and close-out.

**Mr WINTER** - What will be the peak debt that you will have on board?

**Ms BEACH** - In 2029-2030, of that \$30.8, \$22.3 of that is interest and then into 2030-2031, it's around \$30 million, \$31.3 and 2031-2032 is \$32.6.

**Mr WINTER** - Is that the peak, in 2032-2033?

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**Ms BEACH** - Yes. Once it's commissioned, there's then a process of then, I guess, settling the liabilities and things associated with it so works have been complete.

**Mr WINTER** - Did you say that's interest only at 32.1?

**Ms BEACH** - Yes.

**Mr WINTER** - What's the total amount of debt that you'll have at that point in time?

**Ms BEACH** - That would be the balance, which is around \$500 million.

**Mr WINTER** - So, you'll have \$500 million in debt and you'll be starting every year needing to pay interest of \$32. Correct me if I'm wrong, but isn't the plan that, over time, you'll start selling down other assets in order to help pay down the debt? Is that correct?

**Ms BEACH** - This is the construction period and we require the site to be available.

**Mr WINTER** - Sorry, following that, though, you're going to have around half-a-billion dollars of debt sitting on your books, assuming you're still there. Not sure if you'll still want to be after you build a stadium. Then you'll be seeking to sell off other components of the site in order to help pay down debt. Is there a business case around assisting to help pay off the remaining component of the debt?

**Ms BEACH** - There's two parts. One is, there's a decision point for government on what happens with the debt at that point. So, that's one part. And then the other is the development of the rest of the precinct. Our intent is for the commercial developments to be, to the extent we can, fund themselves. So, we'll be doing the business case work for that.

**Mr BAYLEY** - I want to just keep with Webuild because the allegations don't stop with referrals to the Fair Work Ombudsman in terms of the Metro project. The New South Wales government has also alleged that they have tried to gauge \$2.2 billion. There's the Snowy 2.0 project where last year they were ordered to produce a comprehensive assessment of costs as the project will further exceed its budget. It's already blown out from \$2 billion to \$12 billion. Productivity underperformance and work stoppages due to safety concerns are some of the reasons for those blowouts.

Again, minister, in relation to this issue, have you sought any further advice around Webuild's broader history? Not just the referrals to Fair Work Ombudsman, but broader advice around their history of price gouging, cost blowouts, poor worker safety, et cetera?

**Mr ABETZ** - As I've said before, we leave that in the hands of our probity and legal advisers. Ms Beach, do you want to add anything?

**Ms BEACH** - In addition to the expression of interest we received, we did also do, I guess, a due diligence search to look at other activity. So we, that does inform part of our assessment.

**Mr BAYLEY** - Did any of these other activities crop up in your due diligence?

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**Ms BEACH** - Some of these things were noted in terms of media arrangements. I would note that Webuild remain in place to deliver that project, and that's a contract management thing for the government.

**Mr BAYLEY** - So you're saying that through your due diligence process, some of these allegations, whether it be price gouging, safety concerns, or \$350,000 of fines on the Perth Airport Link project, they came to your attention; it's just that they weren't sufficient to render them unattractive from progressing to the tender process? Which of these did you become aware of?

**Ms BEACH** - We undertake the same due diligence on all bidders, not specific bidders, and the responses we received were compliant bids.

**Mr BAYLEY** - Can you confirm that you were aware, for example, of allegations in relation to price gouging in New South Wales and a \$350,000 fine from WorkSafe? Can you table or take on notice what did that due diligence process throw up in relation to allegations or issues associated with Webuild?

**Ms BEACH** - It is important that we have a fair process, and allegations are not a matter for non-compliance or reason for us to not allow them to participate through the process.

Against the returnable schedules that were required, we received the compliant bids and we selected two to proceed into the request for tender stage. And we're now in the request for tender stage.

To the extent that there's other matters to be considered through the stage of the tender, once the bids are received, that is when we'd undertake that work.

**Mr BAYLEY** - So, you're saying that you received compliant bids, even though I think we've established that perhaps there wasn't declaration of some of the proceedings against them, so it seems. But you've identified as well in your due diligence that there are other outstanding issues associated with this company. They may not have needed to be declared. I'll concede that. But you, through due diligence, identified that there were a range of other issues associated with this company? And can you table or take this on notice and let us know what your due diligence threw up when it came to investigation of this company?

**Ms BEACH** - What I could provide a list of the types of advisers and some of the considerations. I can't table advice that's part of a procurement assessment process.

**Mr BAYLEY** - Are you happy to do that, at the very least?

**Mr ABETZ** - We'll take it on notice and consider without any promise as to what might be delivered.

**Mr BAYLEY** - What was the result of that due diligence process?

**Mr ABETZ** - The result was that they could move through the gateway to the expression of interest stage. We're going back to an earlier question of yours. Even if I bounced up and down and did all sorts of things, under the legislation, I have no power to stop or push through the gateway from expressions of interest.

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**Mr BAYLEY** - By way of outcome, I mean what was the product of that due diligence process? Was it a report, was it a form, was it verbal advice?

**Ms BEACH** - As with all procurements, the outcomes of procurements are documented in an evaluation report, which goes through the approval processes that are set out. We have a multi-tier, as I think is set out in a letter from the chair to the minister that was tabled. We have additional checks than you would normally have in a process, given the significance of this project. And that'll inform the evaluation report and the recommendations from them.

**Ms JOHNSTON** - As it seems clear that Webuild didn't disclose these important matters at the time they made and lodged their expression of interest - and it's your position, Treasurer, that they didn't have to. They've moved now through to the next stage, request for formal tender -

**Mr ABETZ** - Can I interrupt you? It's not my position. It is the position of the probity -

**Ms JOHNSTON** - Well, that's position you've put to this committee.

**Mr ABETZ** - No, the probity and legal advisers. Even if I had come to a -

**Ms JOHNSTON** - In answer to our questions, that's the position you've put.

**Mr ABETZ** - Even if I came to a decision -

**Ms JOHNSTON** - If I can ask my question.

**Mr ABETZ** - Even if I came to a decision -

**Ms JOHNSTON** - Chair?

**Mr ABETZ** - I had no power to either block or stop.

**Ms JOHNSTON** - That's the evidence you've given us today. If I could ask my question. They've moved through to the request for tender process. Has there been any request for Webuild to resubmit or to provide additional information, other than the letter that you've tabled in parliament, additional detailed information in response to Condition 3, now knowing what we do know in relation to all the things that Mr Bayley has talked about in terms of whether there's been any other determination by an independent expert and their ability to manage contractors and contractual risk, in particular, post expression of interest? Given that they didn't disclose it then and that you're now aware, through due diligence processes, those concerns, has there been any request to Webuild to provide additional information?

**Ms BEACH** - We're in a tender process, and the bids are required at the end of that process. That is part of the assessment that we'll undertake through the tender. Until it's closed, we don't require the submission of information.

**Ms JOHNSTON** - Who's on the evaluation review committee?

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**Ms BEACH** - As with all procurements, we can't disclose who's on those until at the end of the procurement to minimise risk of lobbying and impact and protection of the process.

**Ms JOHNSTON** - So, you can't tell us, the public, who is responsible for making these decisions, for moving these significant pieces through?

**Mr ABETZ** - Yeah, for probity reasons, as outlined by Ms Beach, so that they can't be influenced.

**Ms BEACH** - That is a standard government framework requirement.

**Ms JOHNSTON** - And we'll only know after the decision's made?

**Mr ABETZ** - Mm'hm.

**Mr JAENSCH** - Now that the project's proceeding, can we please have an update on work that's being done to firm up prospects for large-scale events at the new stadium and in the precinct? And what engagement has there been with the business events community in that?

**Mr ABETZ** - I think this is a great opportunity for the CEO of Stadiums Tasmania to give us an update.

**Mr AVERY** - There's been ongoing discussions for quite some time now with a lot of major event promoters. As we know, this is a multipurpose venue. It's not just about football and cricket, it's not just about sport. It's about a whole range of other events that aren't staged on Friday to Sunday, if you will. And from a business events perspective, we've built out a comprehensive operating model that's underpinned by a robust events calendar that includes a significant number of large-scale business events and conferencing.

The design of the venue has capacity to stage conferencing events of up to 1500 people and trade show exhibition facilities as well. That is a facility that doesn't currently exist in Tasmania, so Tasmania is missing out on a whole host of events at that level from a conference and business events perspective. Business Events Tasmania have been very forthcoming in their participation in this project because they know it's going to open up a whole stream of events that Tasmania's never seen before.

So, we're extremely confident, based on the discussions we've had not only with Business Events Tasmania but with business providers and agencies, not just in Australia but internationally as well. People are looking for an excuse to bring businesses and conferences at this scale to Tasmania. They haven't had the ability before because of facilities. This will change that.

And then in relation to major events like concerts, for example, successfully staging the Foo Fighters event in Launceston early this year has absolutely opened up the door for us to have further conversations with concert promoters about getting events of a similar nature or even bigger to the Macquarie Point stadium in the future. In fact, some of those conversations as recently in the last couple of months have been around who would open the stadium from a large-scale international live artist perspective -

**Mr JAENSCH**- Meatloaf?

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**Mr AVERY** - Well, probably, I think we can aspire a little higher than that.

**Mr JAENSCH** - Higher than Meatloaf?

**Mr AVERY** - So, the feedback has been overwhelmingly positive around what this will represent for live events. And as I say, the Foo Fighters event has paved the way and shown that Tasmania can deliver these events successfully as a stepping stone for a bigger facility for bigger artists.

**Mr JAENSCH** - When will we be at the stage where we can start to -

**Ms JOHNSTON** - Chair?

**Mr BAYLEY** - That's a three-minute answer.

**DEPUTY CHAIR** - In a moment.

**Ms JOHNSTON** - And it's only one question per government member, I understand.

**DEPUTY CHAIR** - Well, yes, but as I indicated earlier in the day, there are multiple questions and I allow individuals to ask a number of questions, such as Mr Bayley, asked two, four, six, seven questions in the last rounds, so flexible in my approach as long as the members are. So, Mr Jaensch.

**Mr JAENSCH** - Integral to the first question, when do you think we're going to be able to start putting bids in for events that might be three years, four years out now, but are on the calendar or in the pipeline? When could we express interest into those processes?

**Mr AVERY** - Well, pretty much from now, to be honest. With major concert events, the timeline of having to pre-book these is getting longer and longer. It used to be sort of 12 months out. Now, as I say, it's not unrealistic to be talking about 2031 now. So, those discussions are live. And we know our sporting content, but some of those we need a lot of lead time, so we're getting on that horizon right now.

**Mr JAENSCH** - Fantastic. Thank you. I've finished now Chair if others want to go. Otherwise, I've got more.

**Mr BAYLEY** - To finish up on Webuild, in September last year, at the same time the New South Wales workplace relations minister referred this company and this matter to the Fair Work Ombudsman, it was also referred to the Federal Police. Before, you took on notice whether the Ombudsman investigation had been checked. Will you take on notice whether it was checked if Webuild were under investigation by the Federal Police?

**Mr ABETZ** - Look, take that on notice and, yeah, whatever information we can provide, we will.

**Mr BAYLEY** - And as at a time and date. I'll ask for that as well. Thank you.

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I want an update on the energy infrastructure. We heard yesterday from the minister for Energy that there is now the need for a new connection report from TasNetworks, and that's eight to 10 weeks away. And that then there'll be a functional design where cost won't be understood until that design process has been undertaken. And that's a three-to-six-month process.

Some Right to Information returns and information that was provided by TasNetworks previously had indicated that a fair bit of this work had been done and concluded that there was need for a substation on site, at the Baha'i Centre, or on the Domain. It seems that that work has now been junked and you're virtually starting from scratch with a new connection report. Does this set things back virtually a year, from an energy provision perspective? When will you ultimately understand the cost implications of connecting the project? And are these part of the \$1.13 billion?

**Ms BEACH** - There is a difference between the previous work that you mentioned in the RTI and the work that's currently occurring. TasNetworks could probably explain this better than me. I'm sure I'll butcher it. But we were looking at the best way to service the site and there's a few ways that we can do that. So, through a single point of entry, which requires -

**Mr BAYLEY** - The site or the stadium?

**Ms BEACH** - The site. Through a single point of entry requires considering the whole-of-precinct outcomes and whether we could get some efficiencies through doing that. So, the RTI you mentioned referred to that. That's looking at current and future needs, so it's allowing for additional capacity in the network.

If we take a more flexible approach, there's a number of connection points from the network, so we're not specific to one location. That reduces the pressure on that part of the network. That's the work that TasNetworks are doing now. It's not anticipated to need a substation because the individual points don't require as much load, so it's not putting as much pressure on a single part of the network.

In terms of timing, there is also some - there's a number of elements that are happening on site relating to power. The other is there's replacement of some existing substations to providing some low and high-voltage cables, including to service the TasWater pump station and servicing TasPorts. So, there's a number of moving parts.

The piece of work we're doing in parallel to the one you just described that TasNetworks are doing around there - I think it's their capability network report or called something similar to that, is to look at, is there opportunity to maximise those other pieces of work and minimise the need for an additional power supply?

**Mr BAYLEY** - This will obviously come at significant cost to TasNetworks. I understood from the conversation yesterday with the Energy minister there's 'several' - inverted commas, new underground transmissions from whether it be North Hobart or other network hubs. Is this part of the \$1.13 billion cost of the stadium? And who does MPDC expect to bear the cost of these connections?

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**Ms BEACH** - It depends on the solution. One of the things that'd be considered would be a dedicated cable. And we would need to carry the cost of that. There are also the other, as I mentioned, projects around us.

**Mr BAYLEY** - Dedicated cable from North Hobart?

**Ms BEACH** - Yes, that's one of the options that are being considered. The challenge is, until we resolve the most efficient way to do it - so, we could just pick one and go with that and wear the bill. But it's best that we find the most efficient way to do this so we get the best outcome for the community in terms of cost.

**Mr HEALEY** - I think it's important to note that this is not power for the stadium. This is power for the precinct, which includes power for the port, it includes power for the icebreaker and includes potential future power needs for the port - whether or not decisions are made to electrify the port for a cruise ships, for example. So, all of the discussion is around the energy needs for the urban redevelopment of that entire site, including the ports and things.

**Mr BAYLEY** - How many different options are there for that?

**Mr HEALEY** - Our involvement is just to make sure that TasNetworks, TasPorts and Macquarie Point are all working together to balance up the merits of considering the whole site as a strategic development for the state and not just trying to solve these issues in a project-by-project way. That's why there's still more work that needs to be done.

**Mr BAYLEY** - But it does sound as if a project-by-project approach is being considered, and there's an approach of just literally plugging in the stadium and -

**Mr HEALEY** - Of course that's an option. Is it the best option? Is it the one that we should pursue? Or should we pursue something a little bit more strategic in terms of the power supply for the entire area? They're the discussions that are ongoing at the moment.

**Ms JOHNSTON** - On 27 March this year, Treasurer, the CEO, Anne Beach, and the chair, Mr Evans, attended a meeting of the Glebe Residents Association along with representatives from TasNetworks, where TasNetworks committed to providing a ballpark estimate of the cost of the substation that they were looking at putting in at either Macquarie Point or the Glebe. They haven't provided that. Are you able to provide that ballpark figure for the substation?

**Ms BEACH** - It was actually 26 March because it was my birthday, it's how I spent my birthday evening. Not the 27th. The information that was provided there, we did ask the TasNetworks team to come with us. That included some of their network planning capability as well as their customer service engagement. Through that, they outlined, provided some context to the documents that Mr Bayley referenced before that were RTI around some of their early work around options. I'm not sure that they committed to provide costings on those because none of those are at a costings point. They're at purely concept.

**Ms JOHNSTON** - There was a commitment given to the association. They've been trying to follow it up and it hasn't been provided. Also at that meeting, there was a presentation around the model of people exiting the stadium and dissipating around the surrounding areas. I understand that you've committed to providing that PowerPoint presentation, or that

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presentation whichever format it was in, to the association that hasn't been forthcoming. Are you able to table that for us today or provide it to them?

**Ms BEACH** - Yes, I intend to provide that to them. And if the minister's comfortable, it can also be tabled.

**Ms JOHNSTON** - When will that be for them, just so they know when to expect it? They've been asking for a while now. This meeting was in March.

**Ms BEACH** - Happy to do that in the next 24 hours.

**Mr JAENSCH** - Minister, I understand that some early works contracts have recently been entered into. Are you able to tell us more about what they're for, who they're with and when they'll start?

**Mr ABETZ** - Yeah, look, a well-known Tasmanian firm, Hazell Brothers, have got the contract in relation to the removal of contaminated soils, about, what, 100,000 cubic metres, is it? Yeah. So quite a sizeable contract. And Hunter Mason have got the contract for the, as I've been told, unpacking of the Goods Shed, because they have to unpack it, store it and then rebuild it in place as part of the stadium.

They are two contracts that have been let in recent times, Hazell Brothers a well known, established Tasmanian firm; Hunter Mason a mainland firm with specialist expertise in this area of looking after heritage buildings but using local subcontractors. And Ms Beach might be able to tell us more about that.

**Ms BEACH** - I don't have specifics on the subcontracting team in front of me, but there is a package of people that we'll be supporting through that. So, as you can imagine, the first stage, as the minister said, is packing down the Goods Shed and carefully disassembling so it can be rebuilt. So, that will require Hunter Mason and their team to work with Heritage Tasmania and make sure there's an agreed methodology before commencing any work. So that will take a little bit of time. And we are hoping that work can start in September, but it's important we go through that process first.

It is a requirement, as with all procurements, that 30 per cent of our assessment considers local impact, and we did seek, we obviously did as part of that assessment. It was favourable in terms of some of the assessment to include the local teams as part of that work. And there is an industry impact plan that they put together where they're anticipating the majority of their subcontractors to be Tasmanian-based.

**Mr JAENSCH** - If the Goods Shed work starts in September, when does the earthworks start?

**Ms BEACH** - Some initial works we're hoping to start in July and then more substantive works also in September.

**Ms DOW** - Minister, obviously key players in this are local government. Some of the transport corridors and mechanisms for getting people in and off the site relies on a good working relationship with councils and some of the work they're doing in their municipalities

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as well. Can you inform the committee of how you're working with local government on this project?

**Mr ABETZ** - Yeah, look, I can indicate that there is a very good working relationship at officer level between, I'd assume, mainly, if not only, the Hobart City Council and officials from DPAC and MPDC.

**Ms BEACH** - Yes, so there's - engagement with council has been important throughout this process. So, when we first started working on the precinct plan, we had a number of working groups. One of those was transport-related and included officers from Hobart City Council. Our starting, I guess, access and considerations was informed by input from the start and has been throughout.

At this stage in the delivery, in terms of the stadium, we have a standing monthly meeting where we work through, there's multiple hats the council, as you would know, wears. So, one is a regulator. And that's one that's more managed through a governance forum that Mat will mention in a moment. We have (inaudible) looking at them as an infrastructure provider and service provider, so making sure we're sharing where we're up to on different elements and considering different components, how they'll fit in.

We do also, as part of that working group, we have provided a forward 12-month look of when we anticipate submitting things to council. There is quite a lot of work to do through the order, and it's helpful for everyone if we can forecast when they're coming, provide any context they might need to assist their review.

There's also, I guess, a broader governance piece in terms of regulators.

**Mr HEALY** - Perhaps I can open by saying that it's been a very constructive relationship with the Hobart City Council. We meet with the CEO and their senior officials regularly with Macquarie Point, with the Department of State Growth, to make sure that everyone is aware of how we're proceeding through the order, and how we're proceeding through, sort of the approvals of the stadium. And we will continue to work collaboratively with the council on those issues.

**Mr WINTER** - From that, I just recalled we got evidence from the Hobart City Council during the Public Accounts Committee hearing. And if I recall correctly, the council indicated that they'd made the decision they didn't want to enter into the MOU, which had been previously flagged. That there'd be MOU between, I'm not sure if it's the state or Macquarie Point and the City of Hobart. I want to hear from the government or Macquarie Point's perspective why that hasn't gone ahead and what the impact is of that not going ahead?

**Mr HEALY** - When we went through the POSS assessment, there was an agreement between the state and the council to explore an MOU that would allow the CEO to authorise officers within the Department of State Growth, under *Land Use Planning and Approvals Act* (LUPAA), to manage the order and its compliance.

We worked through that detail; there were obviously reservations raised by elected officials around the nature of that relationship and where liabilities would reside. I think where we are at the moment is suggesting that perhaps an MOU's not necessary. Perhaps we can manage this through a relationship with the council and their compliance officers, with support

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from the state in terms of providing assistance in ensuring and understanding that Macquarie Point and their contractors are complying with all of the conditions of the order.

So, we're still working really closely with them, but I doubt whether we will get to the point where they will authorise officers in State Growth, under LUPAA, and I doubt whether there'll be a need for a formal MOU.

**Mr BAYLEY** - If I understand things correctly, you've basically spent a year or more working with TasNetworks on a range of different reports, a functional scope report and connection report, in relation to a single point of connection. And that was the one that highlighted that there needed to be a new substation somewhere. That's now been abandoned, effectively, for multiple connection options. How much did you pay TasNetworks for the previous body of work on a single point of contact or connection?

**Ms BEACH** - I wouldn't characterise that work as wasted. At some point there will need to be an uplift in the power supply that goes to the city. TasNetworks can only respond to applications they receive that then trigger that. So that will still inform their broader consideration. At some point there will need to be a substation in greater Hobart. We're just not the trigger for that, I guess, is probably the clarification.

In terms of cost, there would have been an application fee. I'd need to check specifically any costs involved in that stage. It does generally involve - I think once it gets to the detailed design stages is where there's, I guess, more specific costs. But I'd need to check if we've incurred any specific costs in relation to that.

**Mr BAYLEY** - Could you take that on notice? I understand the functional scope report was \$122,000, for example. I hear you on that work not being wasted necessarily, but I guess what we're hearing now is that there's a completely different approach to connection to the site and that there's now a number of different options in terms of connections to the site. Exactly how many options are being considered at the moment? How many are on the table?

**Mr HEALEY** - Can I just say that the options that need to be considered will depend on the need of, collectively, Macquarie Point and TasPorts. Decisions need to be made as to exactly what that need is and when that demand is likely to come online. I don't want to pre-empt any decision of government because it's not the -

**Mr BAYLEY** - Are you still waiting on TasNetworks?

**Mr HEALEY** - No, no. I don't want to pre-empt any decision of government, but just to flag that simply a decision to electrify the port for cruise ships would require almost as much power as the stadium requires. That changes the nature of the network configuration that TasNetworks would have to consider. We've just asked simply, we said, can you make sure that all of these issues are on the table and that you're having open discussions around your prioritisation to ensure that we don't go down a path with the provision of supply that turns out to be not adequate for other policy decisions that come months later.

**Mr BAYLEY** - But didn't you have that path landed? You were going to have a new substation and a single point of entry into the site to provide power to the whole site? Wasn't that finalised and largely landed?

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**Ms BEACH** - No, it was early concept. It wasn't a finalised plan. It wasn't TasNetworks saying, 'these are the substation requirements, they'll need to go in these locations'. It was more looking at capacity in the network.

**Mr BAYLEY** - But you had entered into a relationship, or at least were in significant discussions, with Veolia around it being a private network distributor within the site. Is that not correct? And that would have required a single point of entry? Veolia is still spruiking this on their website. They say:

Veolia is on track to deliver Australia's most advanced high-tech energy network in a public space at Macquarie Point, Hobart, with smart technology driving an advanced embedded electricity heating and cooling system. Veolia has substantially progressed an agreement with Macquarie Point Development Corporation to deliver a high-tech energy network that will provide renewable electricity and a next-gen thermal energy plant.

What's happened to Veolia?

**Ms BEACH** - There were a number of questions in there. But in relation to the TasNetworks piece and the work that Veolia are doing, they are connected but separate. One is how would the site be supplied and how would that be accommodated in the network, which takes some time to work through. You previously gave an example of the time it takes to go through the connection report investigations.

Veolia are looking specifically at within the site, providing a service there. So, that's a different design element.

**Mr BAYLEY** - So, is Veolia still onboard? Did you reach an agreement with Veolia?

**Ms BEACH** - We are looking at supplying projects individually and as part of the broader network, rather than confining it within our own boundary now.

**Mr BAYLEY** - Veolia says they have substantially progressed an agreement with Mac Point Development Corporation. Did you reach an agreement with Veolia?

**Ms BEACH** - There was a process, I think, that commenced in May or March of 2020 through an expression of interest to identify a party to explore those, based on the previous master plan. So, Veolia were a preferred proponent in working through that process.

**Mr BAYLEY** - Did you reach an agreement with Veolia?

**Ms BEACH** - We had a, I think, it's called a term sheet that set out what we're looking to cover through that process.

**Mr BAYLEY** - Does that stand, that term sheet? Or has it been cast aside? Has it been abandoned or has it been agreed to be abandoned? What's the status of that term sheet?

**Ms BEACH** - We're wrapping up that process.

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**Ms JOHNSTON** - Back to the Webuild situation. We've established that Webuild, when it came to condition 3, specifically around 3(v), or part A(v):

Any other claims and disputes which are on foot and subject to litigation, arbitration or determination by an independent expert;

It said, 'None to disclose,' or 'Not applicable'. When it came to (xvi) of the same condition:

Details of any other circumstance which may impact the Respondent's ability to meet its contractual obligations, including:

- (a) regulatory or law enforcement agency investigations of the Respondent, related organisations or principals;

They said, 'Not applicable.' Their requirement under special interest volume 1 of 2, under 6.1.0, Change in circumstances:

- (a) The Respondent must inform the corporation promptly in writing of any material change to any of the information contained in its EOI response and of any material change in circumstance which may affect the completeness or accuracy of any information provided in, or in connection with the EOI response.
- (b) The corporation may also require Respondents to confirm in writing that no such material change has occurred.

Has Webuild provided the corporation with information or an update on material information in relation to all the allegations they are facing, all the matters currently on foot in terms of investigations, provided the corporation that detail? Or has the corporation required the respondents to provide that information?

**Ms BEACH** - We received correspondence from Webuild dated 11 May where they respond to the allegations, which if you're comfortable, we could table.

**Ms JOHNSTON** - Is this the one you tabled in parliament, Treasurer, or is this another one?

**Mr ABETZ** - No. The letter I tabled was from the chair.

**Ms JOHNSTON** - Yes, I'd like it tabled. But this is a different document?

**Mr BAYLEY** - Is it 11 May?

**Ms BEACH** - Yes.

**Mr BAYLEY** - Yeah, we have that.

**Mr ABETZ** - Yes, I did. Thank you for the reminder.

**Ms JOHNSTON** - It is the one that you tabled?

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**Mr ABETZ** - Yes.

**Ms JOHNSTON** - Was that at the request of the corporation that they provided that, or did they freely offer that up? And I believe it doesn't cover all the matters that are currently on foot that we've articulated here, that Mr Bayley has particularly articulated here today? Have you sought information from them about those matters? They're material changes to their initial EOI response. Putting aside a disagreement about whether that's adequate or not, this is material information, a change of circumstances.

**Ms BEACH** - I believe we flagged - the trigger for this letter was us noting that there had been some questions raised and it would be useful for us to understand their position, which is the letter that the minister just referred to. Otherwise, we haven't sought specific additional information. We can throughout the tender process through addenda.

**Ms JOHNSTON** - And it's your intention to do that?

**Ms BEACH** - To the extent we deem it's required.

**Mr JAENSCH** - Minister, have there been any discussions had yet or interest expressed in potential naming rights sponsors for the stadium?

**Mr ABETZ** - That might be a good question for Mr Avery. But before he answers, I should correct or clarify and answer previously in relation to Hunter Mason. Ms Beach alerted me when she said she was unable to comment about local content or local subcontractors. What I should have seen is Hunter Mason do have a Tasmanian office, so they do have a local presence.

**Mr ABETZ** - Mr Avery.

**Mr AVERY** - The short answer to that question is yes. There has already been substantial interest from various parties around naming rights partnerships from a number of the blue-chip organisations you would usually expect to see operating in this place. We have had some preliminary discussions with a number of entities there, which probably is no surprise given the scale of the project, the high-profile nature of the project, the fact that it is coming with the inception of the Tasmania Football Club, the fact that it is transformational in relation to the type and number of events that it will bring to Tasmania. There's a whole host of attributes associated with the project that make it extremely appealing to a lot of large organisations from a naming rights perspective.

Now we obviously understand that there will be huge public interest in who those organisations might be and to ensure that they're appropriate. And we're very mindful of that as we continue those discussions.

**Mr JAENSCH** - How do you get that interest in? Have you put out a sort of a call for partners? Or are people just keeping an eye out for the next big thing that might suit their brand and come looking for you?

**Mr AVERY** - Yeah, we haven't put the call out. The interest has been organic at this point. And we haven't entered into a process. We're not at that point. But we're literally just

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fielding approaches at the moment. And yes, as I mentioned, the project is extremely high profile, has been for some time, and will continue to be not only until the doors open, but long after the doors open. So, it's generating a lot of natural interest.

**Mr JAENSCH** - What form do they sort of agreements usually take?

**Mr BAYLEY** - That's three questions, Chair.

**DEPUTY CHAIR** - Well, yes.

**Mr ABETZ** - And how many did you have?

**DEPUTY CHAIR** - It was just a follow-up. Before we go to Mr Jaensch to follow that up, just a query. The last question from Ms Johnston, the document that we talked about, the letter or the document. Was it tabled?

**Mr BAYLEY** - It's already been tabled.

**Ms JOHNSTON** - It's the same as tabled in parliament.

**DEPUTY CHAIR** - It's already been tabled?

**Ms JOHNSTON** - Yeah, I just thought they were referencing a different one.

**DEPUTY CHAIR** - Just a query from the secretary to make sure that it's already there.

**Mr JAENSCH** - What sort of terms do those sponsorship or naming rights agreements exist over, and when does it start to become the 'x' stadium? Is it once it's operational or do we lock them in before we open the doors?

**Mr AVERY** - They're usually long-term agreements to build brand equity over a long period of time. And the preference would be, and we think it's realistic to expect a partner to come on board before the doors open, again because of the interest in the run-up to the venue being operational. So, we'll be looking to secure something ahead of the venue being operational.

**Ms DOW** - I want to get an update, minister, on whether you're satisfied with the progress being made on the northern access road, whether that's in line with what your requirements are? If there are any issues from the point of view of the Macquarie Point corporation?

**Mr ABETZ** - Look, as I understand it, things are progressing well with design. There are issues that need to be determined. That was part of the Hobart City Plan of 2018, to construct that road to ensure the ongoing access to the port, to have it as a working port. As to the details and the latest information on the northern access road, over to you, Ms Beach.

**Ms BEACH** - That work is being led by State Growth but it is obviously a key project in terms of activating the precinct, as you noted. The access and coordination group I mentioned before includes State Growth in there, particularly for the northern access road. So, that is important for access to the TasWater pump station to the port, to Regatta Point and also to our main site.

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At a project director level, there is ongoing discussions. I think it's probably an example of the oversight provisions. So while we have some of these mechanisms in place around it, the detail level, making sure we're informing those, there is, I guess, the oversight committee that considers all the things in that space so there's a whole-of-government lens applied to it.

The current approach in terms of construction and timeline aligns with all the work that we're doing. I don't think we have any concerns around the delivery timing of that road.

**Mr HEALEY** - If I can just add to that. The project reached 50 per cent design in April 2026, and a contract for the initial construction is expected to be awarded by the end of the year, so it is progressing well.

**Mr BAYLEY** - I just want to go back to the Veolia proposal. You mentioned May to March 2020, although the statement on their website is 9 January this year, which talks about substantially progressing an agreement with MPDC:

The company is now performing a detailed site-specific design process to incorporate innovations that provide strong sustainability and economic outcomes.

So I want to be really clear: have or will you be ending the agreement with Veolia?

**Ms BEACH** - The two processes go together. The EOI process I mentioned is when this started in terms of looking at potentially delivering a whole-of-precinct approach to energy and chilled and heated water provision. So, there was a terms of reference progressed. We're in the process of closing out that terms of - sorry, term sheets, not terms of reference. We're in the process of closing that out.

**Mr BAYLEY** - Will that come at a cost to Macquarie Point Development Corporation?

**Ms BEACH** - Yes, there will be costs associated through that process, yes.

**Mr BAYLEY** - How much would that be?

**Ms BEACH** - I don't have that in front of me.

**Mr BAYLEY** - I will be really clear. What was being promised to Veolia was for the operating of the distributed energy infrastructure scheme within the site for 25 years. Have or will you need to provide them payments for compensation for breaking the agreement? Well, obviously that's a yes. And can you -

**Ms BEACH** - It's not. That's not what the terms sheet says. So it relates to costs they've directly incurred.

**Mr BAYLEY** - So you'll be reimbursing them for the costs that they have incurred?

**Ms BEACH** - Yes.

**Mr BAYLEY** - And that is all?

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**Ms BEACH** - That's the extent of the terms sheet.

**Mr BAYLEY** - And what is the claim as it stands at the moment for those costs?

**Ms BEACH** - As I noted, I don't have that in front of me.

**Mr BAYLEY** - The other thing is that on the tender website you spent \$440,000 in 2024 on contract development for this particular scheme. Can you confirm that that was to develop a contract for Veolia to provide that service and that now that contract's no longer going to be required?

**Ms BEACH** - Through you, minister. Without having that in front of me, I believe we need some specialist advice. It's quite a specific development, so having some specialty advice to inform entering into formal agreements.

**Mr BAYLEY** - So you spent \$440,000 on getting that specialist advice, which you now won't need because you're going to a completely different sort of energy distribution model. Is that correct?

**Ms BEACH** - Through you, minister. The way we report contracts is - so that's an advisory and so there'd be an hourly rate, so that would be the cap of the total amount permitted under that contract. I'm not sure that would be the amount that's actually been expended.

**Mr BAYLEY** - How much was expended? Can you take on notice how much was expended on that?

**Ms BEACH** - Yes.

**Mr BAYLEY** - The Veolia release, 9 January 2025, talks about the thermal energy plant. Can you talk me through the thermal energy plant? Is that still a feature of the Mac Point site or that's gone as well?

**Ms BEACH** - Through you, minister. It's the same thing. It's a district infrastructure energy scheme. It works by having - there's an example at Barangaroo. You use the actual consolidated capacity to have an approach at looking to efficiently manage heated and chilled water and electricity distribution. It's all the one thing. It's not a separate -

**Mr BAYLEY** - So the geothermal plant was part of that, but that's now no longer part of the proposal?

**Ms BEACH** - That's right, because it's not a circulated system, so they're one in the same.

**Ms JOHNSTON** - Treasurer, the government budget papers outline a number of significant risks to cost increases from the stadium and says:

The government is committed to managing the risk through a fixed state funding cap -

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Noting however there though that whilst it's a fixed capital cap, apparently we're still going to be paying the debt costs, servicing costs for a very long time you get to come.

... and strengthen governance and assurance arrangements. Within this framework, any cost pressures are expected to be addressed through scope management, design optimisation and delivery sequencing.

Through you, to the CEO: when we talk about scope management and design optimisation, delivery sequencing when it comes to the stadium itself, what kind of scope management would you be looking to, to try and ensure that you are within that funding cap?

**Ms BEACH** - Through you, minister. There're a couple of different elements here, so just to distinguish around scope versus other changes. Value management is part of an ongoing process with any major project. That's looking at more efficient ways to do that, that's not scope. If you deliver the same outcome, but we find a more efficient way to do that, that might be adjusting the size of breakers or the way they're structured. That's value management, not scope. To your question on scope -

**Ms JOHNSTON** - Yes, on scope. That's what was in the budget papers.

**Ms BEACH** - if we were actually looking to - that would be a change in what the offering would be. That might be in the quality of the offering, it might be -

**Ms JOHNSTON** - What kinds of things would you mean about quality of the offering? What does that mean?

**Ms BEACH** - We might - for example, in our design showcase we showed: these are the materials and fit out considerations we've got for everything from the Goods Shed, the sports bar to corporate suites. If we were needing to find cost savings, we could look at changing some of those fittings to I guess a lower or lesser premium fitting, so there're things like that.

Staging means something like having - so staging was one of the other examples you had. It might be doing a cold shell but not an end delivery, so that could be, for example, the sports bar, just for an example's sake, having the structure there, but not having it fit out so it would then require coming in and having that as a fit out -

**Ms JOHNSTON** - So that would be done later on as operational. Is that what you're suggesting with the delivery sequencing?

**Ms BEACH** - That's right, so that's an example of staging. They're the types of things where we'd have to go, 'What would the saving be in terms of the loss we would then take?'

**Ms JOHNSTON** - So do you have like a bare minimum of what's required to be open like in terms of the scope and the delivery? What's the bare minimum?

**Ms BEACH** - Through you, minister. That comes down to, what are we looking to offer? Stadiums Tasmania will be operating the venue and they'll obviously be looking to maximise opportunities for experience and revenue generation, so any decisions that we would make around the scope, we'd have to consider what are the implications of those. We don't go in with a specific list of these are things that we could drop. There are in the tender, there's what's

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called sort of scope ladder items, so they're helping us understand the cost of particular elements, but any decision about having things removed from the scope we would have to check if that impacts on the parameters.

**Ms JOHNSTON** - Is that one of the parameters, the AFL requirements, is that a parameter you check?

**Ms BEACH** - No, so the parameter's more around what is the scope we're actually delivering. If we were changing the offering, the only way it would impact the AFL is if we're actually doing something that impacts on their venue guideline compliance requirements. For example, the stadium has a field club. A field club is a venue that you can look in and you can see the warmup areas for both sides. If we were to take that away, that would be a partial non-compliance with the AFL venue guidelines.

**Ms JOHNSTON** - That's out of scope management area. Just so I understand, so that's not something that could be scope managed.

**Ms BEACH** - No, it's not outside of the realms. I'm more saying that's an example where we would have to engage with the AFL because then we're going to impact a user. We would generally scope items would be a matter for us to go to government and say these are the scope matters we would suggest consideration of, and that would then have to be go through that oversight process that that we mentioned before.

**Ms JOHNSTON** - Just so I understand, you go through those items first before you went to the guidelines the AFL have required rather than trying to renegotiate with AFL.

**Ms BEACH** - That was more an example. Cricket, football, soccer, they all have venue requirements and so we've mapped all of those in spreadsheets that are because it's important not just at design, but also that they're actually delivered. We'll map compliance or partial compliance. If we were looking at scope items, that's one of the things we would have to consider is: would this create a compliance or non-compliance or partial compliance? In which case we'd need to engage and that would all have to go into - if we're talking about changing scope, we have to think about the full picture of what is the impact.

**Mr JAENSCH** - Minister, another question about attracting events, so maybe for stadiums: what are the chances that we could attract something like the AFL Gather Round for Tasmania and if we could, what would that be worth to the state?

**Mr ABETZ** - That is where with this stadium we have to be ambitious, inspirational and I think we've got the right man for the job in Mr Avery.

**Mr AVERY** - One of the selling points about Tasmania to attract an event like Gather Round is you could host it across the entire state through the Macquarie Point Stadium being the central venue, much like Adelaide Oval has acted in that role with Adelaide hosting that event to great success over the last few years.

The numbers that are publicly available from the South Australian government in relation to the economic impact and inbound tourism around Gather Round are pretty staggering. I think last year, details are coming out about this year's event, but last year's event delivered around \$114 million in economic activity across South Australia. I think they had a total attendance

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about 270,000 people attending those games, of which I believe over 35 per cent were from Interstate.

With the Devils coming into the AFL competition, with the way the state is set up, with the infrastructure across the state, we would stand a very good chance provided we could get the negotiation right to host an event like that.

**Mr JAENSCH** - It's pretty tightly held, I know their Premier was pretty aggressive about keeping it.

**Mr AVERY** - There's a reason South Australia hold onto it because of the value of it from an economic perspective, also from a social perspective, from a community perspective is really high. Yes, it would be hard to prise that away from South Australia, but I think Tasmania would have an excellent chance.

**Mr JAENSCH** - Can we start to book our place in that queue?

**Mr AVERY** - My understanding is that the Devils and the AFL have been having this conversation for a little while now and it's something we'd be keen to take up.

**Mr WINTER** - I just wanted to ask about some of the costs that are potentially being incurred by state growth. Specifically, there's legal expenses and print advertising costs around legal expenses, this is for as of June 2025: \$312,000, consultants; \$780,000, print advertising; \$12,000, incidentals equipment. Do you have an equivalent number for the 2026 financial year so far?

**Ms BEACH** - No, but we could-

**Mr WINTER** - Take it on notice? Thank you. In terms of other costs: there's a ABC TV show about to start called *Ground Up*, Treasurer. In one of the pieces of advertising I saw for it, it had the logos of the entities that had helped pay for the TV show, which included both Screen Tasmania and the Tasmanian government. Are you able to tell the committee how much taxpayer dollars were spent supporting the creation of the TV show?

**Mr ABETZ** - In my newly minted role -

**Mr WINTER** - Yes, that's right. Minister for Arts, I forgot.

**Mr ABETZ** - Yes, I was briefed on that. And I understand and I'll correct the record tonight, I think I appear before -

**Mr BAYLEY** - No, tomorrow night.

**Mr ABETZ** - Tomorrow, is it?

**Mr WINTER** - Easy to get confused when you're minister for everything.

**Mr ABETZ** - Yeah. I think there was a figure of some \$200,000.

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**Mr WINTER** - Is that combined between Screen Tasmania and the Tasmanian government? Can we put it on notice?

**Mr ABETZ** - Yeah. Or ask it again tomorrow.

**Mr WINTER** - I'll put it on notice now and if you can answer it then -

**Mr ABETZ** - Some monies were made available, yes.

**Mr ABETZ** - What's your view on taxpayer funding going into the creation of a TV show?

**Mr ABETZ** - Look, that decision was made previously and I fully support the decisions of my colleagues.

**Mr WINTER** - In all seriousness, do you support it, because it seems a strange thing?

**Mr ABETZ** - Look, these decisions are made by different people, different circumstances. Having been sworn in for all of, what?, I think about three and a bit hours, I'm not going to pretend that I know everything that was taken into account in making that decision.

**Mr WINTER** - I'll put both the questions on notice then?

**Mr ABETZ** - Yeah, do that.

**Mr BAYLEY** - Coming back to Veolia, perhaps for Ms Beach, you mentioned you didn't have the figure in front of you in terms of the cost reimbursement for Veolia. Has it come to you in the time? Or are you willing to take that on notice?

**Ms BEACH** - I think we've already taken it on notice.

**Mr BAYLEY** - You did take it on notice? Thank you. I missed that.

**Mr ABETZ** - But if not, now confirm it is.

**Mr BAYLEY** - Now I can confirm, thank you. You talked about the thermal energy plant and one of the other things that was part of this district energy infrastructure scheme was seawater cooling. That's obviously now not going to proceed either. What's the alternative to seawater cooling? And does that have additional energy requirements for the precinct and for the stadium?

**Ms BEACH** - The seawater exchange, it's a model that is also in play in Barangaroo. I guess if you think of a heat pump system, it's the same idea.

**Mr BAYLEY** - I understand the concept. It's not happening though?

**Ms BEACH** - It's specific to having that centralised function. It needs to be at a scale to put in that. And also there's considerations in terms of potential environmental impacts in having a seawater exchange and the location of those. Without that centralised plant, there isn't a need for a seawater exchange system.

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**Mr BAYLEY** - And so what are the energy implications for the heating and cooling of the site as a result of the abandonment of that concept, because that sounded like, and was grouped as a very efficient mechanism to warm and cool the site?

**Ms BEACH** - The net power requirements of the stadium will be the same with or without a centralised scheme. To have a centralised resource, it would need to scale up to a peak that can support a stadium at peak load. It's more likely to be more efficient to do that through the network.

**Mr BAYLEY** - In relation to the cost of reimbursing Veolia up to \$440,000 of work, for contract advice and so forth, where are they attributed? Are they part of the \$1.13 billion stadium development costs, or are they accounted for and paid for from another fund?

**Ms BEACH** - They're legacy from previous work on site and they relate to precinct costs, so that's funding that we already have.

**Mr BAYLEY** - And what about the connection? Whatever TasNetworks comes up with, and they have to connect to the site, that would come at a cost. Quite often, or usually, connection fees come at the cost to the proponent. Are the energisation costs part of the \$1.13 billion cost estimate of the stadium?

**Ms BEACH** - It will depend on the solution. If it's specific to the stadium, then we would make that clear and attribute it to the stadium.

**Mr BAYLEY** - Is that envisaged to be addressed via the contingencies that are built into the \$1.13 billion? It doesn't sound like it's a specific line item within the \$1.13 billion.

**Ms BEACH** - Again, it would depend on the solution but we would make it clear that cost associated with the stadium.

**Mr BAYLEY** - When do you expect the connections option and initial impact assessment report from TasNetworks to be delivered to the Macquarie Point Development Corporation?

**Ms BEACH** - I'm not sure. I believe that was discussed conceptually, the length of time it takes to do that initial connection report and then go into detailed design, with the Energy portfolio yesterday.

**Mr BAYLEY** - I heard in that that it was eight to 10 weeks for the connection report and then three to six months for functional design, at which point you'll understand the costs. Does that sort of check out with what you, as the corporation, understand?

**Ms BEACH** - I imagine it would be broadly consistent with that.

**Ms JOHNSTON** - In the budget papers it says:

Repayment of the MPDC debt is intended to occur progressively over time through land development, value uplift and commercial returns generated across the broader precinct. Delays -

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Which I'm assuming might refer to delays achieved through delivery sequencing and changes to that:

We can then anticipate outcomes in precinct development, land sales of private sector investment -

Which I assume might come through scope management:

could result in MPDC borrowings requiring direct budget support over a longer period, particularly in a high-interest rate environment.

Clearly, here Treasury's articulated that there'll be an impact on the debt-servicing costs moving forward if those things were to happen. But I assume that there would be an impact on the ability to repay the principal of that debt through the failure to deliver land development or value uplift or commercial returns in the time proposed. Could you talk me through what that might look like in terms of the repayment of the principal of the debt, rather than just interest?

**Mr ABETZ** - We are looking at a variety of potential options. Nothing has been fully determined as yet in relation to the precinct. But if there were to be a capital sale, for example, of a bit of land or something of that nature, then one assumes that would be used to pay down the capital. If it's a long-term lease of an area, for example, then that might then be used in a different way. Until we finalise and have found out what the private sector, in particular, is considering, it becomes somewhat difficult to determine exactly what repayment methodologies and sources will be applied.

**Ms JOHNSTON** - So, the budget papers are just weaker than anticipated outcomes which suggests that there are anticipated outcomes. What are those anticipated outcomes, and what are you modelling now noting that you're reserving your right to make changes around those? What are you modelling now in terms of how that repayment of the principal of that debt might be achieved?

**Mr ABETZ** - Ms Beach has just given a very brief answer. That really depends on the structure of the loan, which has not been fully determined as yet.

**Ms JOHNSTON** - I suppose my question is, have you got some figures around what you can achieve through commercial returns, whether it's through leasing, through the value of land, undeveloped or developed. You must have some idea of what the value is that you're borrowing against.

**Ms BEACH** - This borrowing is specific to the stadium. The treatment and management of that loan at the end of construction is something we're working through with Treasury and with TASCORP. That will be resolved in order for us to sign the contract at the end of the year or early next year.

**Ms JOHNSTON** - But it's been established that the stadium itself won't be paying down the debt. It can't even pay the interest. And it's been indicated that the precinct will contribute to the payment of that. Have you got some anticipated outcomes around that, and what weaker-than-anticipated outcomes might mean?

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**Ms BEACH** - To the extent that there's surplus from the infrastructure investment required for those commercial developments, they can contribute to any return to government.

But the actual structure of the loan, which I think was discussed in the session yesterday with Treasury, the approach to that loan and then the treatment of the debt at the end of that will depend on the loan agreement, that hasn't yet been settled.

**Mr JAENSCH** - Just back to the tender process, I assume that the tenderers, or the major contractors that we're hearing from aren't working alone. What's the process by which local businesses can engage with those tenderers to help them build out their proposals?

**Mr ABETZ** - That is one of the considerations in relation to the request for tenderers, to their engagement with local businesses, local contractors. And without saying too much, but I was pleasantly surprised with meeting with one of the bidders that when they met with the delegation they had amongst them some local representation as well from Tasmanians involved in what I might broadly describe as the building and construction sector. So there is already active engagement at the very beginning. And I think there is a recognition - and Ms Beach might better tell us about the workshops, et cetera, but I'm sure there's a very good strong understanding that with a build of this nature, with the expenditure on it, we are anticipating a substantial Tasmanian input.

**Ms BEACH** - Just to note that you met with both of the tenderers.

**Mr ABETZ** - Yes, I did meet with both, yes.

**Ms BEACH** - Getting equal love.

In terms of local participation, there's a few things we try to do to help that process. One is we had an industry briefing day in February. A recording of that session and the presentation are both on our website. We had around 250 attendees across the local industry. It is a really important part of delivering any project, but it's obviously a key part of this project is having that local participation.

Through that we set up the Industry Capability Network (ICN) Register, through the Department of State Growth. That is an established network that's all around Australia, and State Growth look after the ICN here. So, we have a dedicated register which means that the tenderers can go straight to that and find a directory of local providers.

In addition to the work we did, both tenderers are undertaking direct local engagement, which includes a version of their own industry days where they're speaking directly to local providers to make sure they can work through and provide as much detail as possible. So there'll be packages of works throughout the actual build. In our industry day we provided snapshots of each of those and sort of a feel for scale and timing, so it allows for that forward planning.

With these, there is a few years before a number of the packages would actually commence, so it allows time for the local participants to think about to what extent and what parts of those or how they might partner together to provide elements of those different supplies. For example, in our communications industry, there's different areas of specialisation, but across that spectrum we can provide a lot of the services that are required.

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That direct engagement, we tried to do some initial work and there was a lot of positive response to that. And then the tenderers are doing that directly themselves. It is one of the reasons that a second stage is really valuable. Once we get to the end of this - and ideally we intend to select to one, but we leave open the option to have two, depending on the bids that we get and our assessment of those. But having one participant means that the full spectrum of the local capacity is available to them, so we can try and maximise that participation.

**Mr BAYLEY** - One last one to finish up on energy. Can you provide us with the most up-to-date estimate of the energy requirements of the stadium.

**Ms BEACH** - We can provide some context to the total power need.

**Mr ABETZ** - And how it compares to the Eden Project.

**Mr BAYLEY** - So, you take that on notice?

**Mr ABETZ** - Yes.

**Mr BAYLEY** - Okay, great. When you ultimately land on a route and an option in terms of energy supply, there's clearly a lot of public interest in this, whether it be the Glebe Residents Association or others. Will you be publicly announcing that and talking to that? How do you propose that that will be put into the public arena?

**Ms BEACH** - We have ongoing reporting, as I mentioned, through oversight and similar. I would anticipate this would be part of what Public Accounts would ask us around the cost of delivering a number of the different elements. Once that's resolved, I would expect that that would be available.

**Mr BAYLEY** - But you wouldn't volunteer it proactively once it's landed and sorted, and you've got your options landed with TasNetworks? It's not something you'd proactively put? It's something you'd wait for the Public Accounts Committee to ask?

**Ms BEACH** - What I'm suggesting is we do quarterly reports to the Public Accounts. We have pretty extensive governance which creates a significant workload in itself. The cleanest way for us to do it would be likely through those existing processes.

**DEPUTY CHAIR** - Members of the committee, I unfortunately have to inform you that the time for this scrutiny has now expired. We will take a short break while we swap over to the next section.

**The committee suspended from 4.00 p.m. to 4.10 p.m.**

**The witnesses withdrew.**