



PREMIER OF TASMANIA

28 MAR 2019

The Secretary  
Select Committee on the House of Assembly Restoration Bill  
Parliament House  
HOBART TAS 7000

Dear Sir/ Madam

Thank you for the opportunity to comment on the House of Assembly Restoration Bill 2018 which seeks to restore the House of Assembly to a 35 seat House, and other related matters.

To inform the work that the Select Committee is undertaking, officers from the Department of Premier and Cabinet (DPAC) have consulted with the Department of Treasury and Finance (Treasury) on the estimated costs associated with the proposed Bill.

Indicative estimates prepared by Treasury based on information provided by DPAC and House of Assembly finance officers show that, based on the particulars of the proposed Bill, there are likely to be establishment costs of approximately \$7.9 million and ongoing costs of approximately \$7.2 million per annum. These estimates are based on a number of important assumptions including that any increase in House of Assembly seats will commence in 2022-23. In addition, there may be other costs which have not been identified as part of the preliminary analysis. I have attached a summary of the Treasury methodology.

On 8 March 2011, the *Review of the Proposal to Restore the House of Assembly to 35 Members* by Emeritus Professor Peter Boyce AO was tabled in Parliament. This report summarised submissions and community feedback in relation to restoring the House of Assembly to 35 members. The report also included a cost estimate of \$3.1 million per annum. It is important to note the factors that have led to the difference in cost estimate between this report and Treasury's indicative estimates. These factors include:

- costs associated with the inclusion of an additional Minister;
- additional payments to opposition or minor parties;
- costs of accommodating additional staff at Parliament Square; and
- general indexation-related cost increases that have occurred since 2011.

While the Tasmanian Government acknowledges that there is some community support for an increase in the size of the House of Assembly it must be considered in the context of other competing funding priorities.

As the Committee would be aware, the Treasurer, Hon Peter Gutwein MP, released the 2018-19 *Revised Estimates Report* (RER) on 30 January 2019. The RER confirms that the Budget remains in surplus across the 2018-19 Budget and Forward Estimates period. However, the forecast surplus has been reduced as we invest more into health, out-of-home care and the justice system.

I thank the Select Committee for its work in inquiring into this Bill and I look forward to reading its final report.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Will Hodgman', with a stylized flourish at the end.

Will Hodgman MP  
**Premier**

Attachment

## Attachment – Department of Treasury and Finance Cost Estimates – House of Assembly Restoration Bill 2018

The following indicative estimate has been developed by the Department of Treasury and Finance based on information provided by the Department of Premier and Cabinet and the House of Assembly. Many of the individual indicative estimates are based on current average expenditure and are likely to change in specific circumstances, noting the Bill has a commencement date following the next election. In addition, a range of assumptions has been made in order to develop the indicative estimates, including:

- likely number of Government and non-government members;
- the amount of additional office space which would be needed for extra Members;
- the requirement for additional parking; and
- appropriate cost escalation from current cost estimates to 2022 dollars.

In addition to the expenditure identified, it is expected that there may be other costs, particularly for the Legislature-General, which have not been identified as part of this preliminary analysis. Table I provides details of the indicative estimates and a brief explanation of their basis.

**Table I – Indicative estimates associated with the House of Assembly Restoration Bill 2018**

	Full Year Recurrent Cost 2022-23 \$'000	Establishment Costs 2022-23 \$'000	Comments
<i>House of Assembly</i>			
Base Salary & Electoral Allowances	2,030	10 x basic Member salary	
Extra Ministerial Allowance	108	1 x Minister Allowance 70%	
Leader Minority Party	54	1 x Leader Minority Party loading 35%	
Superannuation	162	Estimate based on 9.5%	
Travel Allowance	73	Estimate based on current spend for non-ministers or officers	
Other Costs	348	Estimate for printing, stationery, communications, additional staff costs etc.	
	<hr/> 2,776		
<i>Ministerial and Parliamentary Support</i>			
Electorate Office Staffing	912	Based on current costs	
Electorate Office Operating Costs (10 members)	188	Based on current costs	
Electorate Office Leases	350	Based on current costs	
	<hr/> 1 450	760	

**Table I – Indicative Estimates associated with *House of Assembly Restoration Bill 2018***  
(continued)

	Full Year Recurrent Cost 2022-23 \$'000	Establishment Costs <sup>3</sup> 2022-23 \$'000	Comments
Members Resource Allowances	100	10 × \$10,000	
Leader of Opposition Budget Increase <sup>1</sup>	481		
Leader of Recognised Non-Government Party <sup>2</sup>	500		
	<u>1,081</u>		
Lease and Outgoings for Additional Office	203	500	Based on rent in Parliament Square (PS) plus other cost impacts in lease contract for PS
Ministerial Office Staffing	864		Based on current costs
Ministerial Office Operating Costs	83		Based on current costs
Minister's Allowance	38		Allowance funded through Ministerial and Parliamentary Support
Ministerial Transport Service	183		One extra driver and car and another associated costs
	<u>1,168</u>	64	
<i>Parliament Square costs for Offices</i>			
Level 1 Offices	....	4,200	Fitout 1,400 sm @ \$3,000
Relocate Treasury staff	688	2,400	Fitout 1,600 sm @ \$1,500; lease costs 1,600 sm @ \$430
Additional 10 Car Parking Spaces	30		
	<u>718</u>		
<b>TOTAL INDICATIVE ESTIMATE</b>	<u><b>7,193</b></u>	<u><b>7,924</b></u>	

Notes:

1. Based on the recognised Opposition party having at least 13 elected members.
2. Based on four members being elected from a recognised non-Government party.
3. Establishment costs include Electorate Office fitout and initial ITC setups; fitout and initial ITC rollout and equipment for the additional Ministerial Office; fitout of Level 1 in Parliament Square for 10 sitting day offices as well as fitout of alternative accommodation for Treasury staff that would be relocated.