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Hon Ruth Forrest MLC  
Chair  
Legislative Council Select Committee  
ESTIMATES A  
By email: [simon.scott@parliament.tas.gov.au](mailto:simon.scott@parliament.tas.gov.au)

27 September 2024

Dear Chair

Thank you for your letter of 23 September 2024 requesting that additional information be provided to the Legislative Council Select Committee Estimates A following the examination of the Estimates of the Treasurer on 23 September 2024.

Please find below information in response to the Committee's further questions.

**DIVISION 11 - DEPARTMENT OF TREASURY AND FINANCE**

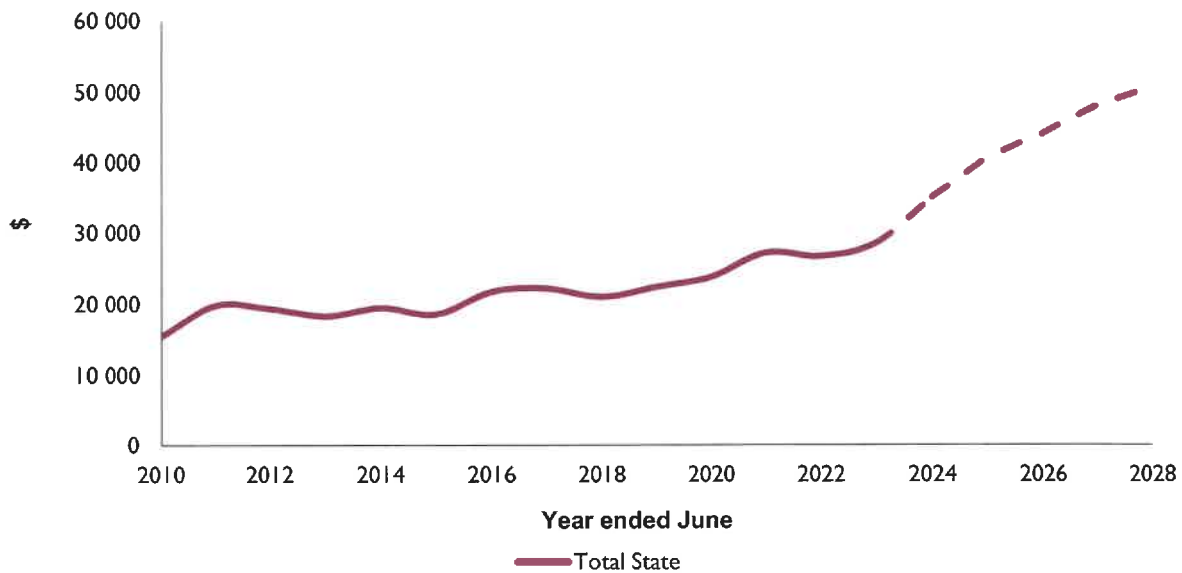
**Output Group 1— Financial and Resources Management Services**

**1.1 Budget Development and Management**

1. Treasury has undertaken preliminary work on the commitment to consider the establishment of a minimum credit rating requirement for certain Government businesses. Due to the complex, highly technical and specialised nature of this work, Treasury will need to engage further with the Tasmanian Public Finance Corporation. As a result, it is not possible at this stage to anticipate when this work will be finalised.
2. The 2025-26 Budget will include the budgeted proportion of GBE and SOC infrastructure projects in excess of \$50 million, for which Board approval is provided in the Budget year, that have a positive Net Present Value and/or positive Benefit Cost Ratio calculated as part of a Cost Benefit Analysis undertaken in accordance with the Infrastructure Australia Assessment Framework. The target in relation to this measure has been set at 100 per cent.
3. I am only able to provide the Moody's Credit Opinion for the State of Tasmania to the Committee with consent from Moody's. Moody's has agreed that the report can be provided to the Committee on the basis that it is kept in confidence by the Committee and that it is not republished (including on the Parliament website) or redistributed any further by the Committee.

4.

#### Fiscal Strategy - Gross Debt per Capita - Total State Sector



#### Gross Debt per capita

Fiscal Strategy Gross Debt per Capita reflects the sum of total liabilities within the Total State Balance Sheet less the Defined Benefit Superannuation Liability. This value is then divided by the current Treasury population forecast to determine a per capita value.

It should be noted that this debt is held to support intergenerational assets that underpin Tasmania's economy. Over the Budget and Forward Estimates, Total State Net Worth rises from \$15.13 billion in 2024-25 to \$15.52 billion in 2027-28.

#### 5. Departmental

Treasury's allocated Budget Efficiency Dividends in 2024-25 and across the Forward Estimates will be met through a combination of Vacancy Control, Natural Attrition and Operational Cost saving measures as reflected in Table 1.

**Table 1. Treasury Budget Efficiency Dividend Savings Measures**

	2024-25	2025-26	2026-27	2027-28
	\$'000	\$'000	\$'000	\$'000
Vacancy Control and Natural Attrition	....	603	1 258	1 258
Operational Costs	671	738	753	753
	<b>671</b>	<b>1 341</b>	<b>2 011</b>	<b>2011</b>

Vacancy control and natural attrition measures include a reduction of Treasury's staffing establishment by nine full time equivalents as positions become vacant due to voluntary retirement, transfer, or resignation.

Operational costs saving measures include a change to superannuation insurance scheme arrangements together with a change to the current hosting arrangements for the software system used to manage the Budget Information Management System.

## 1.2 Financial Management and Accounting Services

1. Nil response. This was addressed at the Hearing and whether a GST exemption would be sought would depend on the funding arrangements for the specific project.

## 1.3 Shareholder Advice on Government Businesses

1. Treasury is not aware of any GBEs seeking GST exemptions for projects listed in Table 6.6 of Budget Paper 1.
2. The breakdown of Total State Sector Sale of non-financial assets is shown in Table 2. The increase in 2025-26 is primarily due to estimated sales for the PNFC Sector which includes:
  - TT-Line Pty Ltd reflecting current assumptions regarding the sale of the existing vessels; and
  - Homes Tasmania reflecting estimated sale proceeds from land subdivisions which are to be used to support its capital program.

**Table 2. Sale of Non-Financial Assets by Sector**

	2023-24 Estimated Outcome	2024-25 Budget Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
General Government Sector	34.9	40.2	27.4	35.2	35.3
Public Non-Financial Corporations Sector	5.9	23.6	188.9	59.1	50.0
Public Financial Corporations Sector	....	....	....	....	....
<b>Total State Sector</b>	<b>40.9</b>	<b>63.8</b>	<b>216.2</b>	<b>94.4</b>	<b>85.3</b>

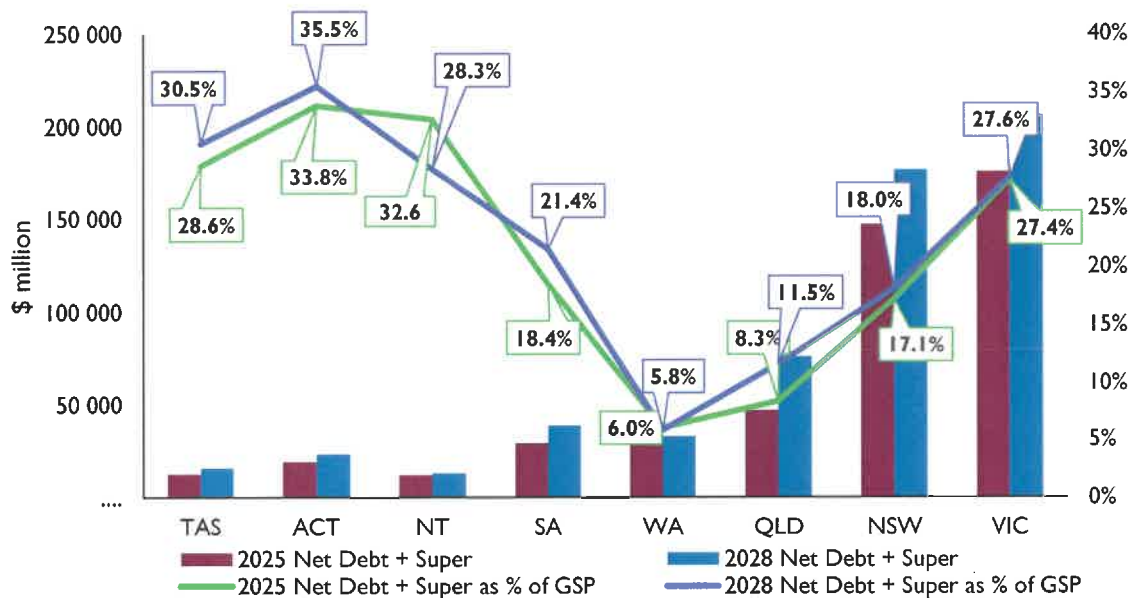
## DIVISION 3 — FINANCE-GENERAL

### Output Group 1— Debt Servicing and Management

#### 1.1 Debt Servicing

- Note: this appears to be a repeat of the question at 1.1 4. above. In the Estimates Committee, Ms Forrest asked another question relating to Net Debt and it is assumed that this is what is being referred to. The question requested that a cross jurisdictional comparison of Net Debt plus Superannuation liability over the Forward Estimates (as per Chart 7.3) be provided.

**General Government Net Debt plus Superannuation Liability as at 30 June 2025 and 30 June 2028 in nominal terms and as a percentage of GSP, by jurisdiction<sup>1</sup>**



<sup>1</sup> Net Debt estimates are based on the 2024-25 Budget estimates released by jurisdictions.

2. **Departmental**

30 June 2024	Average FTE Salary
Female	\$105 893
Male	\$113 727

- FTE Salary - Full-time equivalent base salary for employees on the payroll as at 30 June 2024, including those on extended unpaid leave.
- The Head of Agency is included in the calculation. The temporary Executive Director Project Marinus Whole-of-State Business Case is excluded.
- Base salary excludes allowances and superannuation.

Yours sincerely



Michael Ferguson MP  
**Deputy Premier**  
**Treasurer**  
**Minister for Small Business and Consumer Affairs**