

PARLIAMENT OF TASMANIA
DEBATES OF THE LEGISLATIVE COUNCIL

DAILY HANSARD

Wednesday 27 May 2026

Preliminary Transcript

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Wednesday 27 May 2026

The President, **Mr Farrell**, took the Chair at 11 a.m., acknowledged the Traditional People and read Prayers.

QUESTION ON NOTICE - ANSWER

No. 30 - Exportation and Importation of Electricity

Ms FORREST question for MINISTER for ENERGY and RENEWABLES, Mr DUIGAN

- (1) With regard to the operations of the National Electricity Market and directional pools and allocation rules:
 - (a) Can the Minister confirm and/or explain:
 - (i) that inter-regional settlement residues are separated into two directional pools - one for flows from Victoria to Tasmania and one for flows from Tasmania to Victoria;
 - (ii) that according to National Electricity Rules, each directional pool is allocated between the two regions and is this a specific rule or a convention; and
 - (iii) that the importing region receives the majority share of each directional pool?
 - (b) For electricity flows from Tasmania into Victoria, can the Minister confirm the percentage of the pool allocated to the Victorian transmission network operator?
- (2) With regard to the treatment of Interregional Residue Revenue by TasNetworks, can the Minister confirm and/or explain:
 - (a) that any residue revenue allocated to TasNetworks, whether from the pool or from auction proceeds, must be treated as regulated revenue under the Australian Energy Regulator's (AER) Post-Tax Revenue Model;
 - (b) that the AER requires all such revenue to be credited against TasNetworks' allowed revenue, thereby reducing the amount recovered from Tasmanian customers; and
 - (c) that Hydro Tasmania does not receive any portion of the residue pool directly under the regulated model?
- (3) With regard to the auctions and pre-auction deductions, can the Minister confirm and/or explain:

- (a) whether any deductions or allocations are made from each directional pool before the auctionable amount is determined;
 - (b) if deductions occur, can the Minister list the categories of deductions applied prior to auction;
 - (c) which entity receives any pre-auction allocations from the residue pool; and
 - (d) that Hydro Tasmania can only obtain exposure to inter-regional residues by purchasing units at auction?
- (4) With regard to the future electricity export dynamics under Marinus Link, can the Minister confirm and/or explain:
 - (a) whether Tasmania is expected to become a net exporter of electricity once Marinus Link and the North West Transmission Developments are completed;
 - (b) if Tasmania becomes a net exporter, the dominant directional pool will be the Tasmania-to-Victoria pool;
 - (c) under current rules, the majority of the Tasmania-to-Victoria pool will be allocated to the Victorian transmission network operator; and
 - (d) whether the Government has undertaken any modelling of the expected annual value of the Tasmania-to-Victoria pool under future export scenarios; and
 - (i) If so, will the Minister table that modelling?
- (5) With regard to the Whole of State Business Case and information provided to the Minister and Cabinet, can the Minister confirm and/or explain:
 - (a) whether the Whole of System Business Case provided to Cabinet included explicit analysis of how inter-regional residues would be allocated between Tasmania and Victoria under the regulated model;
 - (b) whether Cabinet was provided with modelling of the expected northward and southward pool values over the life of Marinus Link; and
 - (c) whether any analysis was provided to Cabinet on the risk that TasNetworks may receive little or no residue value in years where Tasmania is a net exporter?
- (6) With regard to the Post-Tax Revenue Model (PTRM), and related regulatory process, can the Minister confirm and/or explain:

- (a) the commencement date, regulatory period and any transitional arrangements applying to Basslink under the Australian Energy Regulator's revenue determination;
 - (b) whether the AER's Post-Tax Revenue Model will apply to Basslink from the commencement of regulated operation;
 - (c) whether the AER has provided any guidance to TasNetworks or the Government regarding the treatment of inter-regional residue revenue in the revenue determination; and
 - (d) whether the AER's revenue determination for Basslink assumed any inter-regional residue revenue in its modelling?
- (7) With regard to the building of new variable renewable energy generation and the role of Hydro Tasmania, can the Minister confirm and/or explain:
- (a) whether new renewable projects enabled by the North West Transmission Developments are expected to require Hydro Tasmania to provide firming or system support through Power Purchase Agreements;
 - (b) whether the cost of such Power Purchase Agreements will be borne by Hydro Tasmania; and
 - (c) has the Government assessed the combined financial effect of:
 - (i) Hydro providing PPA support for new renewable projects; and
 - (ii) the majority of northward residue value flowing to Victoria?
- (8) With regard to the Hydro Tasmania's export strategy, can the Minister confirm and/or explain:
- (a) whether Hydro Tasmania has advised the Government that it has 'no export-driven strategy'; and
 - (b) whether the Government's energy policy continues to rely on export-driven revenue assumptions from Hydro Tasmania?

ANSWER

Mr President, I seek leave to table the answer to question no. 30 as it appears on the Notice Paper and have it incorporated into *Hansard*. I would read it out, but it's 12 pages. If the member is happy to have it tabled, I'll seek to do that. Otherwise, I'm happy to read it out.

Ms Forrest - I want you to read it.

Mr DUIGAN - Happy days.

Mr PRESIDENT - You seek leave to table it as well, so we just need to resolve that.

Leave granted; document tabled and incorporated.

See Appendix 1 (page 85).

Mr PRESIDENT - You can table it and read it.

Mr DUIGAN - Table it and read it? It's an answer so nice. Alright, do members have the question? Are they able to access the question? Great. I'll read the answers then.

- (1) The most appropriate source of advice on the detail of the National Electricity Rules (NER) is the Australian Energy Regulator (AER) and in relation to the conduct of the settlement residue auctions, the Australian Energy Market Operator (AEMO).

That said, I am advised by my department the interregional revenues for Basslink will be separated into two directional pools, with the southward pool having reference to Tasmania and the northward pool having reference to Victoria.

- (2) The most appropriate source of advice on the detail of the NER is the AER, and in relation to the conduct of the settlement residue auctions and the operational aspects of the regulated interconnector model, AEMO.

That said, I am advised by my department that the interregional settlements residue proceeds received (either through AEMO auctioning the right to receive the southward interregional revenue - obtained by the successful bidders - or the absolute value of the interregional revenues that are not sold through auction) will flow back to Tasmanian customers through lower transmission network charges. That source of value offsets the allowable revenue that TasNetworks, as the coordinating network service provider, is required to collect from Tasmanian customers for the Tasmanian region, including Basslink or Marinus Link in future, as determined by the AER from time to time. The southward interregional revenues, direct or auction proceeds, do not relate to TasNetworks allowed revenue in relation to its Tasmanian network.

I'm also advised by my department that Hydro Tasmania does not receive any proportion of either the northward or southward interregional revenues for Basslink, unless it participates in an auction to do so.

- (3) It is standard practice for market participants, including Hydro Tasmania, to purchase access to either northward or southward interregional revenues through auctions conducted by AEMO.

For further detail on the operational aspects of the regulated interconnector model, the best source of advice is AEMO.

- (4) The direction of energy flows between Victoria and Tasmania across Basslink are fundamentally a function of price differentials between the regions. Under normal energy market dynamics, electricity flows from low-priced regions to high-priced regions. The introduction of Marinus Link will not change this underlying dynamic. Once Marinus Link is online, the flows across both Marinus Link and Basslink combined will be a function of the price differences between Victoria and Tasmania every five minutes.

Currently, Tasmania is broadly balanced across electricity supply and demand, provided typical/average inflows and wind patterns are delivered. In the current context, with Basslink returning to operate once again on an open-flow basis from 1 July 2026 (rather than transport/toll bidding) the primary driver of whether there are net exports or imports across Basslink over a year will be the weather. A drier or less windy than average period will tend to deliver a net import situation due to demand outweighing supply, and above average inflows or wind would tend the system toward net export, as supply outweighs demand. Equally, any changes on the demand side would have a similar impact.

This core dynamic will not change once Marinus Link comes online. Whether Tasmania is a net exporter or net importer over a period of time will primarily be determined by the Tasmanian electricity supply and demand balance. This underpins the strategic importance of interconnection as not only economic matter but also for energy security.

The modelling undertaken for the whole-of-state business case showed that Tasmania moves to become a net exporter of electricity once Marinus Link is online. It is important to note that this is not due to Hydro Tasmania pursuing an export-driven strategy. This is instead because of a key shift in the Tasmanian electricity supply/demand balance.

Because Marinus Link provides a path to market where a large degree of new generation is required to meet the retirement of coal and given the modelled capacity factors of wind in Tasmania relative to elsewhere in the National Electricity Market (NEM), the Tasmanian generation sector was modelled to expand at a rate greater than that required to meet Tasmanian demand only.

In a situation when Tasmanian supply regularly outweighs demand, the resulting outcome will be that Tasmania moves to become a net exporter of energy. In practice, the degree to which Tasmania becomes a net exporter over the long term will be a function of the future rollout of renewable generation in Tasmania (which depends on factors including commerciality, planning and environmental approvals), as well as the evolution of the on-island electricity demand (for example, the future of our major industrial customer segment, and potential new large loads, such as e-fuels and data centres).

However, regardless of whether there is a material shift in the supply and demand balance that results in Tasmania becoming a net exporter or importer, there will continue to be routine northward and southward flows across the interconnectors, at the five-minute interval. This is dictated by the relative spot prices in the Victorian and Tasmanian NEM regions.

Where the spot price differences accompany those northward or southward flows (that is, the prices in Tasmania and Victoria separate) on a five-minute basis, interregional revenues will arise. Even in a situation where Tasmania becomes a net exporter over a period of time (e.g. a year), this doesn't necessarily mean that the northward pool will be large or dominate the size of the southward pool. The size of the interregional pools is a function of both the volume of electricity flowing and the size of the price differences that accompany those flows.

The government has not undertaken any specific modelling of these matters.

- (5) A key focus for the whole-of-state business case was to consider, *inter alia* customer price impacts through transmission prices as well (as wholesale price changes). As a conservative approach to examine costs and benefits the analysis assumed all of the Tasmanian revenue requirement would be met through transmission costs, with no offset from interregional revenues, noting also at that time the Australian Energy Regulator's draft determination had not accepted the APA's application to convert Basslink to a regulated interconnector. Accordingly, no modelling was undertaken on the potential value of interregional revenues.

TasNetworks does not have a financial 'exposure' to the value of interregional revenues - as the Coordinating Network Service Provider for Tasmania it will pass through auction outcomes to customers. While there may be differences in annual interregional auction forecasts by TasNetworks and the actual auction results, these will be 'trued up' in following years as occurs now for differences between forecasts and actuals for its existing network (for example, annual customer demand forecasts).

- (6) The most appropriate source of advice on the detail of the NER is the AER.

That said, APA has confirmed it intends to convert Basslink to a regulated interconnector as of 1 July 2026, following the AER's approval of its application.

The AER has not provided any guidance to the government on the treatment of interregional residue as this is not a matter for the government. TasNetworks has undertaken its own analysis of the potential value of the southward interregional revenues for the purposes of determining transmission prices for Tasmanian customers in 2026-27. It will be required to do so for each financial year.

The AER revenue determination for Basslink set the maximum allowable revenue that Basslink will be entitled to earn, based on the same framework that applies to all transmission assets. In setting the maximum allowable revenues for Basslink, the AER was not required to determine potential interregional revenues for the interconnector.

There are several sources of revenue that can deliver the overall revenue requirement - the network charges from customers (both directly connected major industrials and distribution customers), the value of auction proceeds for the north-south interregional settlements residue (or their actual value if not sold through the auction).

- (7) Shareholder ministers updated Hydro Tasmania's Ministerial Charter in 2024, requiring Hydro Tasmania to build and deliver energy projects that focus on low-carbon emissions and align with Hydro Tasmania's competitive advantages that add to Tasmania's economic prospects and support Tasmanian jobs, including through entering into firming contracts, partnerships or offtakes with developers and other energy generators.

Hydro Tasmania has published its market engagement approach, which outlines it has a structured procurement pathway through expressions of interest or tenders, ensuring fairness and transparency.

A power purchase agreement (PPA) with Hydro Tasmania is one mechanism available to provide new generation projects with the revenue certainty needed to achieve final investment decisions.

However, the degree to which new renewable generation will proceed on the basis of commercial arrangements with Hydro Tasmania cannot be determined in advance, and it is not the only mechanism to support the revenue certainty needed for new generation projects.

The federal government's Capacity Investment Scheme (CIS) provides another avenue, and the Tasmanian government has signed a renewable energy transformation agreement with the federal government, securing access to a dedicated allocation for Tasmanian renewable energy projects in CIS auctions.

Work is also underway on the National Energy Market reforms, including to address the mismatch between the long-term timeframes required for new sellers in the market against the short-term contracts sought by market buyers through the Electricity Services Entry Mechanism (ESEM). The intention is for the ESEM to become the principal vehicle to provide the contracting requirement to precipitate the investment required to meet the challenges of the national energy transition.

Proponents of renewable energy generation projects can also manage their revenue risk by offtake arrangements with major loads in Tasmania.

- (8) Hydro Tasmania's future strategy is founded upon shifting the timing of its hydro production to periods that reward the flexibility of its plant. This creates the opportunity for new renewable generation to enter to provide lower-value bulk energy. That entry could be in Tasmania directly, or the energy imported through the two interconnectors. It is about shifting generation to maximise the benefit of both imports and exports, not about simply pursuing an 'export-driven strategy'.

With Marinus Link at 750 megawatts and Basslink operating at around 500 megawatts, there will be around 1250 megawatts of interconnection between Tasmania and Victoria, and the average system demand in Tasmania is currently around 1200 megawatts. Absent a material shift in the Tasmanian load profile, this will mean that most of the time Tasmania and Victoria will effectively operate as a single market (that is, the two systems will not face a binding transfer constraint).

In this context, the division between export focus and local focus becomes less relevant, and the source of value for Hydro Tasmania, and Tasmanians as its owner, is the variability in the Tasmanian/Victorian spot price, both the daily predictable and seasonal variations, and the value derived from shortages of renewables driven by sustained weather conditions.

LEAVE OF ABSENCE

Member for Prosser - Mr Vincent

[11.18 a.m.]

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council)(by leave) - Mr President, I move -

That the honourable member for Prosser, Mr Vincent, be granted leave of absence from the service of the Council for this day's sitting.

Motion agreed to.

MOTION

Budget Papers 2026-27 and Appropriation Bills (No. 1 and No. 2) 2026 - Noting

Continued from 26 May 2026 (page 75).

Ms LOVELL (Rumney) - Thank you, Mr President. I spent last night writing the rest of my four-hour speech and memorising it - I didn't. I did want to make the point, though, that I made my contribution on the Budget yesterday. I was very clear in my comments. I have been repeatedly misrepresented in Question Time in the other place today as well as on social media, but particularly this morning in Question Time by both the Treasurer and the minister for

Health. I will be seeking an opportunity to make that clearer once I have the *Hansard* from the other place so I can be clear about the words that were used.

I would suggest that if the Treasurer and the Health minister want to know how I feel about the Budget and how I feel about any savings, cuts - call it what you want - the reality of what will happen to the Health system, they can read my speech. They can listen to any of the public comments I've been making on this over the last week. I've been very clear. If the Treasurer and the Health minister are so confident in their Budget, they shouldn't need to misrepresent me. They shouldn't need to misrepresent the AMA. Don't twist other people's words. Stand by your Budget. Be upfront and honest with Tasmanians. If you believe in what you're doing, have the guts to be honest about it. I note the Budget.

[11.20 a.m.]

Mr GAFFNEY (Mersey) - Thank you, Mr President. I rise to speak to the 2026-27 Budget. A budget that has been characterised by both the Premier and his Treasurer as getting the balance right has also come with a supremely optimistic aim of reaching an operational balance within two years and a fiscal balance in four.

Broadly, this Budget is an unfortunate reality facing Tasmanians. The functions of state government are stymied beneath the mountain of net debt, with no way to pay it without hurting Tasmanians and causing them pain - in all walks of life.

Decisions made by government about their use of resources can quite easily be boiled down to opportunity cost. As every young adult learns when they get their first pay cheque, a dollar spent on a want means a dollar less to spend on other things they might really need. Another fiscal lesson learned by many, often enough through a hard education, is that credit is a risky tool. It can be used to maximise outcomes, but it comes with a downside. It takes away future spending capacity and must be paid back at some point.

It's important to keep these concepts of opportunity cost and future spending capacity in mind when discussing budgetary fiscal policy, because the state government is not so dissimilar to a person receiving a pay cheque or accessing a line of credit, although the decisions government makes have an impact on every Tasmanian now and into the future. These people, and indeed the Tasmanian government, make decisions based on priorities. They assign value or utility to different choices and make the ones which they think will provide the best return for the dollars spent.

Sometimes wants are balanced against one another, and basic needs must overtake spurious wants. A person will find himself or herself in fiscal strife if the expenditure on needs, and indeed wants, outweighs their budget or earning capacity. To keep the same lifestyle, a person might then turn to a line of credit, but unless there exists a means to repay it efficiently, this person simply pushes this cost further down the line, kicking the can down the road, so to speak. Sometimes, it is even pushed so far down the line that it will be inherited or forgiven on this person's death.

The government of the day must follow many of these same principles, making decisions based on its priorities and balancing wants and needs within its budgetary capacity. Unfortunately, though, when government pushes costs further down the line, it does not have as many options to make more income or otherwise relieve itself from debt. Rather, repayment of the lines of credit that are extended to the government assumes substantial portions of its

future income. To decrease this debt, a government will often need to burn significant political capital by imposing fiscal conservatism and/or new taxes, something that, until now, the government has chosen not to do.

Repayments do not directly deprive the decision-maker, the government, of anything; unlike a person drowning in debt, the decision-makers still get paid. Rather, it deprives others of support from which they would otherwise benefit. Decisions that increase state debt directly correlate to a reduction in future capacity of the government to outlay as much money in support of its constituents.

In this sense, there is a heightened onus placed upon the government to make the right decisions. The government has access to countless resources with which to forecast outcomes, come to rational conclusions and analyse the opportunity cost of different choices; but if it makes the wrong decision, it risks imposing a generational burden upon its constituents.

It's important not to lose sight of this when crafting responsible fiscal policy, as indeed governments have and continue to do. Indeed, the current Tasmanian government is as guilty of it as any, if not more. Over the last decade, we have seen the imposition of more net debt on Tasmanians than we've ever seen before.

As I've already said, a representative government makes decisions based on the needs and wants of its constituents. A government acting in good faith will make decisions that it thinks will maximise benefits to its constituents - or, in some cases, to those vested interests it might prefer. The AFL is a case in point.

Of course, perceptions of maximising benefits differ. Governments and their supporters argue that the benefit of expenditure is maximised by investment in different priorities. For example, some believe a prioritised investment in health will maximise the benefit of dollars spent to Tasmania, others an investment in community, and even others in an overpriced stadium blotting out a beautiful cityscape.

A budget paper is a sort of statement of priority of intent. When a government acting in good faith puts forward its proposed expenditure for the next year, it reveals what its priorities are. It reveals what it believes, rightly or wrongly, will be the correct way to achieve the best outcomes.

This Tasmanian Budget has been recognised by many as the first serious attempt by the Tasmanian government to address the mountain of debt that has piled up on top of it. As economist Saul Eslake puts it, this is the first time in a decade that the budget is a 'genuine, serious and for the most part credible attempt to impose some restraint on the Tasmanian government's spending and borrowing'.

The Treasurer himself spoke of the time when there was a season for deficit budgeting and declared now is the season for balancing the books and returning to sustainable budgeting.

It's interesting to see his enthusiasm for those classic verses from Ecclesiastes -

Ms Forrest - Ecclesiastes.

Mr GAFFNEY - That's it. I've been practising that, too.

Ms O'Connor - He got it wrong.

Mr GAFFNEY - He got it wrong, too. I think he thinks God got it wrong.

Yes, a book that, according to Rabbinic tradition, was written by King Solomon. Dare I suggest that he's taking the author's preferences to heart in a budget that brings the judgement of Solomon down upon so many of our essential services.

Perhaps the Treasurer needs to take note of public concern over the government's rapacious spending of its unfunded larger projects. Our concern is perhaps best reflected in the famous existential question from the same good book, which states:

Sheer futility, Qoheleth says. Sheer futility: everything is futile! What profit can we show for all our toil, toiling under the sun? A generation goes, a generation comes, yet the earth stands firm for ever.

Tasmanians are increasingly frustrated with a government that promises so much in talking the talk and then avoids accountability when it comes to answering questions on how it's all going to be paid for, and by whom. If only the promise of an attempt to balance the books had come a year earlier, before the stadium commitment, or a year earlier than that, before the TT-Line debacle, or in any of the 10 years before that. We would not be in this position then, and we'd be free to invest far more to maintain social services, health care, education and justice, to improve the lives of all Tasmanians, not just those who can afford footy tickets, bespoke accommodation or a suite on the TT-Line.

We are now up to spending \$880 million this year alone simply to service the debt we have, more than half of which is interest and part of which we will repay some of the principal. This figure alone would cover our annual deficit with millions to spare. Imagine what our community organisations could do with that. I understand the rationale for this Budget, but it's extremely disappointing that the government has put Tasmania in this position in the first place.

It was incredible to watch how easily the government pivots between supporting incredible financial outlays such as the TT-Line fiasco or the Macquarie Point stadium, whilst justifying reducing hundreds of jobs through the public sector. I wonder how employees in Health or Education feel about being asked to reduce a large portion of their headcount. These areas have been crying out for assistance for decades. I wonder if they, or indeed, the majority of Tasmanians, think that this should happen to pay for an already grossly over-budget stadium and badly built boats that still have nowhere to load.

There are areas that have significant economic benefit investment, providing the building blocks on which economic gains and future efficiencies can be had. For its discussion of the importance of preventative health care and improved educational outcomes, there seemed little by way of prioritisation in the budget for these.

To quickly digress, I note the unfortunate irony of the government calling for a review of workers compensation legislation to reduce workplace mental health claims, right after announcing that a quarter of the employees at the Department of State Growth, and thousands across the government, will be cut, without even telling them who will not have a contract come next year. I can only imagine the mental health impact of finding out through Pulse Tasmania that you have a 25 per cent chance of not having a job next year. Let's not forget, it

was the Liberal government who instigated the Department of State Growth to be the driving force behind Tasmania's economic success. It is not a cheap exercise to set up a new structure or department, or to rebadge it as another entity or way of operating. Some might say it is 'shuffling the deckchairs' after a poorly considered thought bubble.

Moving on, it was interesting to hear the Treasurer quote Margaret Thatcher in presenting the Budget, saying, 'The problem with socialism is that you eventually run out of other people's money.' This implies we should not be using other people's money. Irrespective of the accuracy of the statement, it is not very reflective of Tasmania's reality, or the reality of the last 10 state budgets. Tasmania costs more to run than it generates in revenue, draws disproportionately more GST than it contributes, relies on Commonwealth funding constantly and requires more money than other states due to its demography. Sadly, we are the very definition of a mendicant state. The very budget put forward relies on other people's money for a positive pathway forward, by way of Commonwealth support and a hopeful perspective on more GST allocation than it currently receives.

The unfortunate reality of Tasmania is that we rely on the money of other people. Reliance on such ideology is not realistic in the Tasmanian situation and that is important to recognise. We should be aiming to improve our outcomes and our ongoing financial health, but not at the cost of dire austerity based on Thatcherism. All that will do is hurt our economy and hurt our vulnerable, of which there are many.

Of course, where this quote is correct is in implying that irresponsible spending leads to dissatisfactory and unacceptable outcomes. Such a consideration leads one to question the delivery of key state infrastructure by the current government. Repeatedly, the government has failed to deliver key infrastructure on time. The TT-Line blowout, which the Treasurer labelled as essential, necessary spending, is a perfect example of mismanagement.

I recently read an article in *The Monthly* titled 'Ship of Fools'. It is a well-contained article that goes front to back through the TT-Line debacle timeline, makes astute observations and discusses the ongoing government mismanagement and failure in communication that gave way to such a disastrous overspend.

This led me to contemplate how the commitment to, and mismanagement of, infrastructure projects affects Tasmania. Similarly to overspending, these projects have the very real risk of leaving future Tasmanians with a host of problems that may come through debt spending, or just through fixing and managing future outcomes of mismanagement.

This transcends day-to-day government practice. The government vests itself with power to deliver these builds, either through legislation or just by funding them. Sometimes, when their proposals are shot down by proper planning procedures, they've forced them through parliament, reliant on political pressure and almost populist politics, painting concerned Tasmanians, reputable analysts and concerned businesses in a poor light along the way.

Having granted themselves the sole power to ensure the delivery of these builds, the government then proceeds to not deliver on time or on budget. In the case of the TT-Line, through massive mismanagement and miscommunication, we found out seven years after the project began that the docks are inadequate for the size of the ship. One must question, with a \$60 million budget, how such a failure in planning is possible. Of course, when I say 'miscommunication', I actually refer to actors within the state government ignoring concerns of

many different parties, saying one thing and doing another. A shocking example of mismanagement was given in the article I was reading, and it says:

It emerged that Treasurer and Infrastructure Minister Michael Ferguson had been 'aware of concerns' about TT-Line's Berth 3 problems since October 2023, but for nine months had failed to mention them to the public. In August 2024, he told a parliamentary inquiry that he had raised this issue with TT-Line at the time but had been 'firmly assured' that the project was on track. As to which track, it wasn't clear.

But TasPorts' chair Stephen Bradford told the inquiry he'd been 'consistently concerned' about TT-Line's progress in upgrading Berth 3 since even earlier - October 2022 - and regularly raised the issue with both TT-Line and Ferguson.

'Why is it TT-Line, as a ferry company, leading the major infrastructure upgrades to the port?' asked Josh Willie, a Labor MP and the current opposition leader. 'Why isn't it TasPorts?'

Ferguson replied that it was within TT-Line's authority to decide to manage its own berthing arrangement. Despite being shareholder minister, responsible for monitoring the broader role of government businesses, his hands were apparently tied.

[When asked] 'You've got one company [TasPorts] that has a history of infrastructure upgrades around ports and you've got another company [TT-Line] that doesn't have such a history and is a ferry company. Did you have any concerns about the risk being loaded onto TT-Line for that upgrade?'

Ferguson replied that he valued the TT-Line board and management and had accepted their assurances, while reiterating that these were decisions only the board could make.

The inquiry also revealed that TT-Line's tender with the proposed builder of the Berth 3 upgrades had fallen over months earlier - during the election caretaker period - and the project had to be re-tendered entirely, causing further delays.

'This was a surprise for me as minister for infrastructure and formerly the minister for transport,' Ferguson said grimly.

TT-Line issued a statement that same day: 'the Board of TT-Line Company Pty Ltd has disputed elements of the evidence presented' to the inquiry. Chair Michael Grainger looked forward to 'setting the record straight' when he appeared before it. The media were salivating. Premier Jeremy Rockliff instead asked Grainger to resign, with immediate effect.

Such mismanagement, miscommunication and misrepresentation to the public comes with its own set of costs that do not arise in a year-on-year budget. Such disasters take years,

often decades to fix. They impose generational cost. One must wonder the number of 'operational efficiencies' - code for gutting the public service - that we would not have to find if we do not have to fork out for TT-Line.

Speaking of the new *Spirits*, it's gratifying to finally see the construction of the new berth and loading facilities in East Devonport come together after all the mismanagement and stuff-ups that brought us to the farcical situation where we have two new ships and no way of using them.

What has come as more of a shock than a surprise is the latest \$507 million bailout to keep TT-Line afloat. It's almost like they are sailing on a sea of \$50 and \$100 notes to try to stop the whole show from sinking. And yet, the Budget states \$200 million upfront and the rest to come at a later date. So, why does it need another \$307 million? Or is that just a contingency for the next blowout? I have to wonder how it has got to that point. I know with perfect hindsight, it's too late to right the many wrongs, but with last year's bung, we're at the thick end of the \$600 million, on top of all the additional funding that's gone into the new *Spirits*.

What it does indicate, and maybe with perfect foresight, is that we potentially have an even bigger financial time bomb in the new stadium - complete with a fizzing fuse that's just been lit. The government, for now, is sticking to its \$1.13 billion cost estimate for the stadium. Even the budget papers cast doubt on what the final cost might come to. Maybe that's where the Treasurer's right-sized mantra comes in: whatever the final bill, it will be exactly the right size for his government and the right size for him in his role as Minister for Macquarie Point Urban Renewal. The bigger question is: will it be the right size for our economy, or will it be the final weight at the bottom of Tasmania that drags us under and into bankruptcy?

I can't help noting the increasing public concern from the leaders of the mainland AFL clubs as to the financial risks and viability of the AFL's Tassie Devils team. I say that deliberately as it's very much an AFL-owned team; it's a very private entity, no matter how much we say it's ours. The AFL owns it, and it says what goes. We are just the funding partner carrying all the risk and liability for every penalty and compensation clause built into the Premier's hasty contractual agreement with the AFL.

For a Liberal government that purports to support private entities, the government seems intent on the public management of and liability for these infrastructure builds. Ironically, their subsequent mismanagement leans credence to the Laissez faire principles which they consequently attempt to rely upon to sell off our private enterprises for a short-term surplus, an idea it put up as a possible solution before it was rightly shot down by all sides.

This is not an isolated issue either - housing commitments, Marinus, the North West Transmission Developments, the stadium, health builds well behind their promised schedules and the Kingston bus interchange are just a few. It is unfortunate because other state governments give proof that this does not have to be the case, and our public management of infrastructure should be better. Maybe Tasmanians would be less sceptical of proposals if they had confidence in the government to deliver them.

What is obvious from the table of operational efficiencies in budget paper no. 4 is the 'who would have thought it' coincidence between the \$1.467 billion of projected savings a figure that will possibly cover the entire cost of the new stadium, the Kingston High Performance Centre and maybe part of the sewerage plant relocation costs. It's a classic case

of robbing Peter to pay Paul - or in this case robbing essential services to pay tribute in fealty to the AFL patriarchy in its agreement with the Premier. We know full well who and what will be paying the price; it will not be the government or its ministers.

The other risk is the classic bait and switch. The government is a signatory to the National Health Reform Agreement, which comes with an additional \$700 million in health funding from the federal government. In a classic case of cost shifting, the Treasurer is now demanding \$708 million in operational efficiency savings from the Department of Health. No wonder the federal government gets shirty as its additional funding contribution is neutralised to offset the cost of the government's pet projects.

Of course, just earlier this year, our own honourable Julie Collins MP said the following:

I continue to raise for the Tasmanian state government the lack of action on a range of infrastructure projects in my electorate. ... My big message here today is that the federal government keeps stepping up to the plate and providing funding, but the Tasmanian state government doesn't keep delivering.

Of course, we saw in the most recent federal budget that the Commonwealth has once again stepped up to the plate to provide funding. Once again, we received hundreds of millions for infrastructure builds. Our request for more GST, right as they are, are simply another example of reliance on the Commonwealth for bailouts, without any guarantee that we will use the money wisely.

There is an uplift in federal distributions that will arrive as additional revenue over and above what was expected only six months ago. Over the next four years, it will amount to \$1.7 billion, as \$738 million from GST and \$938 million in grants for specific purposes. As golden geese go, these are particularly welcome, the benefits of which must not be squandered. We must ensure these funds are used for their intended purpose and not used to offset government whims.

Education is another department that relies on co-funding agreements with the federal government and again the federal government is keen to prevent cost shifting in its education funding agreements. To quote once again the 'operational efficiencies' mantra as the new vernacular for devastating cuts, I see that Education is coming in as a close third place to State Growth in the race to remove the largest chunks of flesh.

Its \$228 million of cuts as a key deliverable over the next four years is a bitter pill for our school communities to swallow. It's on the back of a previous expectation that DECYP was to find \$80 million of cost savings from previous budgets - so, now, we're looking at \$308 million and maybe more. The Treasurer assures us that it will focus on right-sizing the back-office areas of DECYP, a move which I'm sure will do little to reassure those staff members whose jobs are on the line.

In ancient history terms, they face the literal decimation of their numbers: 10 per cent may not sound like much to the Treasurer, but for the 150 jobs that are facing the axe, I'm sure it will have huge consequences for those staff members and their families. It's an *Alice in Wonderland* move of drink this to shrink, or face the Red Queen running around shouting 'off with their heads'.

So, where else can these operational efficiencies come from? Education is a perennial topic of discussion and lots of outsiders telling educators what they should be doing. One of these ongoing policies has been the government's desire to appease the demand of these outsiders by imposing year 11 and 12 on every high school in the state, regardless of need or distance from a nearby college.

We're now in a situation where the year 11 and 12 extension plan has been put into practice. That's a period of over 12 years with no review of the efficacy of this grand experiment. In a government that's so keen on oversight and accountability, surely that's more than simple negligence. If we're now to adopt the mantra of operational efficiencies, when will it be applied to what must be close to \$200 million spent so far on the extension experiment that is year 11 and 12 in every high school? Can the Treasurer insist on operational efficiency evaluation for year 11 and 12 as a commonsense and rational move? There are a few high schools in my electorate where there are perhaps three or four kids at most in year 11 and 12. What does that mean for our resources?

In last year's Estimates, the Minister for Education stated that there are seven high schools with no year 11 and 12 enrolments at all, and eight with one to five enrolments. If we look at the median enrolments per school, it comes out as nine in year 11, and five in year 12 per high school across the state - hardly an overwhelming measure of success for \$200 million in spending and the redistribution of year 11 and 12 teaching staff away from colleges.

If the government is so keen to find savings, why hasn't it examined the year 11 and 12 extension program in our high schools? I can give you one good reason why: it would mean admitting that it's not working as intended - unless the intention was to undermine the college system; that's colleges with an absolutely student-centric approach and all the experience of working with year 11 and 12 students and teaching TASC subjects; the college system that, endorsed across the mainland, irritates the hell out of the top-down bystanders that love non-government schools. In simple terms, why not say for year 11 and 12 to continue in a high school within 30 kilometres of a college, it must enrol a minimum of, say, 25 year 11 and 12 students in that school? It could then consolidate the efficiencies back into the college system where they really belong. It would give viable class sizes for specialist subject teachers in short supply - and maybe save the thick end of the \$200 million that has mostly been wasted thus far.

Despite all the darkness and hidden corners, there are some bright lights in the Budget. The extension of fare-free public transport for another year is one that builds on past fare amnesties. The initial indications of a 30 per cent uptick in the use of public transport shows just how important it has been in a cost-of-living crisis. The other side of this is that it brings to an end the unfair postcode lottery that applies to student transport, especially when it comes to our high school and college students.

The Treasurer, in his previous role as minister for transport was a keen defender of fare-free transport for rural and regional students. He has also been a defender of charging fares to the same cohort of students attending the same year grades where their bus route happened to cross an urban boundary. It's been an ongoing issue in my electorate for at least the last seven years, where rural students attending their nearest high school, and never leaving the municipality, were compelled to pay fares on student-only contract bus services and again when they went on to Don College. The same is true for students across Tasmania, and that includes Kingston as well.

In reality, it came at a cost of up to \$800 per year for the families of every student in that position. It was a perfect postcode lottery and one that affected every rural or regional student who was enrolled in year 11 and 12 at their nearest college.

Given the Minister for Education's desire to see better attendance and year 12 completion rates, it will make a real difference to those families struggling to make ends meet. If the scheme has to be wound back at some time in the future, it must be retained for all school-aged students and end forever the unfair postcode lottery. Speaking of Don College, I note that none of our year 11 and 12 colleges are on the list for new or improved facilities. In the budget overview, I can't help but note the educationese references to 'transformational upgrades', with the statement:

New and improved facilities support student learning by delivering modern and fit-for-purpose environments.

Don College, now in its 50th year, is quietly falling apart. The dedicated staff do what they can with what they have. As an example, what were to be temporary, relocatable classrooms have now been in place for decades and are now beyond their usable life. Even Devonport City Council refuses approvals for reasonable adaptations that could extend their life. The college itself is a famous brutalist design with crumbling Bakelite light fittings that are beyond repair, a wi-fi network defeated by the Faraday effect of the concrete reinforcing, and plumbing with dissolving copper and blocked waste pipes, which means toilet and kitchen facilities have to be regularly closed off. Dare I suggest the Minister for Skills and Jobs, as a plumber by trade, might like to visit with his bag of tools to make a proper assessment of the situation?

If the government is so keen to deliver improved year 11 and 12 retention and completion rates, can it address its own mantra with tangible support for our college infrastructure rather than wasting it by diluting year 11 and 12 upgrades into our high schools?

Speaking of making ends meet, there's another bright light in the expansion of the Ticket to Wellbeing and the continuation of the Ticket to Play, both with a focus on making sporting and recreational activities accessible to those on limited incomes. However, there is a but: whilst it allows activities such as archery, cadets, croquet, dancing, shooting and tenpin bowling to be eligible, it doesn't include active recreational activities such as community bands, choirs, community theatre and universities of the third age (U3A), all of which should be equally eligible under the scheme. I encourage the government to revisit its criteria, as I know that within my electorate the City of Devonport Brass, the Latrobe Federal Band, Crescendo Choir and its music hub, Exhale Community Choir, Right on Cue Choir, the Devonport Choral Society, and Port Sorell U3A all have a focus on wellbeing and active participation by their members. Please remember: these are the fully inclusive team sports for people who are not into traditional team sports.

Another shining gem is the promised \$46 million funding for 32 of our 35 Neighbourhood Houses. I understand that the funding model is under review, and I assume that the almost even distribution of the \$46 million reflects this. I would also welcome more information on the modelling, if the previous Socio-Economic Indexes for Areas (SEIFA) assessment is still the basis of the funding model, and if the government's A and B funding categories are still in place. There was a problem where the Deloraine House was rated as B for baseline funding when it should have been A with higher-needs funding. Has the review of

all houses been updated to reflect their actual need or is it simply an equal-share model? The reason I ask this is that in a cost-of-living crisis, Neighbourhood Houses have been facing unsustainable demands on their resources, many of which are providing support for community members far beyond what might be termed their natural home areas.

Despite the government's love of large infrastructure projects, football and brightly painted ships, it has already addressed the growing need for community mental health services, many of which were previously only available in our major cities. Besides the \$40 million for the Mental Health Precinct at the North West Regional Hospital, there's been a particular welcome for the previously announced \$7.6 million of funding for the new Devonport Mental Hub as a community walk-in suite of services for those experiencing distress and needing ongoing support. While it's in its planning stage, I hope that it can still meet its 2027 completion date.

There is an ongoing matter of hidden stress in our community. It's what we might term 'funeral poverty': that's where the cost of the funeral arrangements for a loved one can overwhelm a family's means to pay for it. It can be especially distressing as not everyone has the many thousands of dollars required for even a basic, unattended cremation.

Care Beyond Cure has been advocating for many years to establish Tender Funerals Tasmania as Tasmania's first not-for-profit, community-led funeral service. Lynne Jarvis, as its spokesperson, has been meeting with the government and the Director of Local Government to make the case for government support for this initiative. As Lynne says:

While grieving, many people are also being asked to make significant financial decisions at a vulnerable time. For too many Tasmanians, the cost of a funeral can mean debt, distress and fewer choices about how they farewell someone they love.

The funeral business is very much a business that charges thousands of dollars and, sadly, they missed out in the Budget. I hope that there can be increasing recognition of the need for tangible support for economical, family-led funerals - support that is freely available in other jurisdictions.

It was also pleasing to see some relief of community and social services in the Budget. However, as TasCOSS notes:

Many of the positive measures announced in the Budget were short-term and temporary, at a time when the uncertainty facing Tasmanians demanded a long-term investment.

It was extremely disappointing to see a significant, 43 per cent reduction in funding for Palliative Care Tasmania (PCT). It is especially concerning as we're in the midst of a three-year review of the *End-of-Life Choices (Voluntary Assisted Dying) Act 2021*. The review will no doubt be considering the provision of palliative care services within Tasmania as part of its deliberations. As PCT put in their budget response:

This cut in funding comes when we know that those needs are increasing year on year and when hospital and residential aged care settings are challenged further in the face of similar budgetary constraints and escalating pressures.

As a result, that pressure is felt statewide. It is felt by those facing the most vulnerable time of their lives - not only families and friends, but often this impacts whole communities. The need for good quality palliative care across Tasmania has never been felt so deeply, we know this will not ease in times to come.

This is further reinforced by the CEO of Queen Victoria Care, who stated:

... Residents are entering care later, with higher acuity, greater frailty, and increasingly complex end-of-life trajectories. The role of organisations such as Palliative Care Tasmania in supporting the sector through education, advocacy, and community programs is critical to maintaining both quality and dignity of care.

We are particularly concerned about the potential impact on projects and service innovations that strengthen capability across the system. Initiatives that support grief, bereavement, and community understanding are not ancillary, they are essential elements of a compassionate, sustainable model of care. Any contraction in these areas will inevitably shift pressure back onto already stretched providers and families.

It's worth noting that PCT received close to \$1.2 million in core funding last financial year. While that's no small amount, it's just a few decimal percentage points when compared to the many hundreds of millions of dollars we have committed for no justifiable reason to the TT-Line or to give the stadium a roof.

Hand in hand with palliative care is the support for carers themselves. These are the unpaid and unsupported family and friends that go out of their way to care for people they love. I'd go further as we need to recognise there's not one dollar of new investment for more than 87,000 unpaid carers who keep this state functioning - the parents caring for children with disability, the partners supporting loved ones with chronic illness, the adult children caring for ageing parents, or ageing grandparents caring for younger grandchildren. They save the government billions every year, yet this Budget offers nothing for them.

Worse still, the government has failed to fund the next Tasmanian Carer Action Plan - the very framework that's supposed to give effect to the *Carer Recognition Act*. As Samantha Fox, the CEO of Carers Tasmania, said:

A caring community is one that funds its carers, and on today's evidence, Tasmania is not yet that community. ... Carers and the Tasmanians they care for are the heaviest users of the health system. When 'efficiencies' are extracted from health, it is carers who pick up the shortfall, unpaid, unsupported, and increasingly exhausted.

Mr President, one must question the morality of stripping resources from organisations supporting our most vulnerable to pay for the mismanagement of infrastructure builds. One must also question the morality of financially undercutting departments that have been calling for more resources for years, again to pay for infrastructure we can barely afford to pay for.

Despite the sage of advice from Saul Eslake, the government has focused on cuts and the absence of revenue-raising measures. It cites it as an unbreakable election promise: no new taxes. I'm not sure that washes with anyone now with the Premier's happy abandonment of any number of election promises to suit his purposes. We only have to look about his volte-face on greyhound racing and the now failed idea of TasInsure, a state-owned insurance underwriter. That's now to be a regulatory quango. It's yet another result of naive policy thinking on the fly. It's almost as if government policy is now produced by throwing mud at a wall and seeing what sticks.

Given these constraints, the Treasurer has made a valiant attempt to bring back a reasonable budget that has half a chance of balancing the books. Many commentators disagree, citing hidden detail, missing information and new fees that Tasmanians will have to pay for. However, the government has spent itself into a corner and is looking to break down some walls to escape its self-imposed predicament. That's not saying much as the writing has been on the wall for many years, and maybe finally the government is trying to do something. Is it too little too late? Who knows.

What we do know is that we have a government that's a fan of big infrastructure projects, and less so of considering the consequences of when they go wrong. In these cost cuts, the government will undercut the frontline services which support Tasmania, while also undermining those resources they rely upon to do the job.

The answer in part to our exploding debt liabilities seems to be balanced with increasing contributions from the federal government as a lucky windfall, and the Treasurer's enthusiasm for what he calls 'operational efficiencies', to constrain the departments of his fellow cabinet ministers with what appear to be ambitious budget constraints.

However, the Budget risks a shameful outcome where the government is compromising the present reality of our younger generation - a generation which will have to eventually pay for the political hubris of our current leaders, both in increased taxes and fees and reduced public services. That is the legacy that may define the 12 years to date for the Tasmanian Liberal government.

In closing, I can recognise the steps the government has taken to correct the course of state finances. Nonetheless, this is not a situation that Tasmania ever should have to be placed in, and the costs to our communities will be hard to bear. I would leave you with a final appeal that the government consider its spending priorities wisely and take greater care in its management of our state's finances, and our vulnerable Tasmanians.

Mr President, I note the 2026-27 Budget.

[11.59 a.m.]

Ms THOMAS (Elwick) - Mr President, I rise to speak on the 2026-27 budget papers and appropriation bills, in response to the budget speech delivered by the Treasurer, the honourable Eric Abetz, last Thursday 21 May.

I start by saying, like many members who have gone before me have also said, budgets are about choices. They tell us what government believes matters, what and who doesn't, what it believes can wait, what risks it's prepared to take and who it expects to carry those risks.

This Budget arrives at a difficult time for Tasmania and Tasmanians. Our households remain under pressure. Businesses continue to face uncertainty. Demand for government services continues to grow. Our community services continue to struggle to serve the vulnerable Tasmanians they serve every day. Infrastructure costs have escalated and after years of spending growth, election cash splashes and major commitments, Tasmania's finances are under significant pressure and the government must respond.

I acknowledge that doing nothing is not an option. I accept the government cannot continue indefinitely with large deficits, rising debt and increasing expenditure. Fiscal sustainability matters, responsible budgeting matters, but responsible budgeting also requires strategic decisions and honesty about those decisions. Tasmanians deserve to understand not only what government intends to spend, but what government intends to spend it on and what government intends to stop doing. That is where this Budget raises serious questions.

The headline figures are sobering. General government revenue is forecast to be \$10.19 billion in 2026-27, expenses are forecast at \$10.788 billion. That leaves a net operating balance deficit of \$596.7 million in the general government sector. The government forecasts a return to operating surplus in 2027-28 of \$192.8 million, growing to \$436 million and then \$622 million across the forward Estimates. Infrastructure investment is forecast at just under \$1 billion this year. Net debt is forecast to rise to \$8.44 billion by 30 June 2027 and peak at \$9.98 billion in 2028-29.

Now, I want to point out we only generally hear the government talking about the net operating balance. But as economist Saul Eslake reminded us yesterday, it's the fiscal balance that tells a more complete story, because this reflects the impact of capital investment and borrowing decisions. That is, it includes both the spend on infrastructure and the cost of delivering services. That story is more concerning.

The fiscal balance for the general government sector is forecast to be a deficit of \$972.7 million in 2026-27, almost \$1 billion. Tasmania's fiscal balance in the general government sector is not forecast to return to surplus in 2027-28 like the net operating balance is. In 2027-28 the fiscal balance is expected to continue in the red, showing a \$206.6 million deficit.

These are all significant numbers, but it gets even worse because that is before we even consider the broader state sector position, including government business enterprises. We must include these when considering the budget, because ultimately those entities are owned by Tasmanians and their liabilities matter too. We cannot only ask whether our government departments are sustainable, we must ask whether the whole state balance sheet is sustainable.

For the total state sector, including general government sector and GBEs, the picture for 2026-27 is this: revenue of \$14.08 billion, expenses of \$14.77 billion, resulting in a net operating balance deficit of \$690.9 million, a fiscal balance deficit of \$2.29 billion and net debt of \$12.45 billion. These are the numbers that tell the real story about this Budget. These are the numbers that the government would report in the headlines if it were to be totally honest with Tasmanians, rather than focusing on the net operating balance.

The total state sector fiscal balance presents the full picture, and that is a \$2.29 billion deficit in 2026-27. Looking at this picture, a return to surplus is not forecast in the forward Estimates. Rather, a total state sector fiscal balance deficit of \$75.2 million is forecast in the

final out year of 2029-30. Let's be honest about the Budget, not focus on the best of the worst figures, because Tasmanians deserve for the government to tell the truth, the whole truth and nothing but the truth. I'm sure the good book that the Treasurer referred to in his budget speech says something like this too.

Before I talk any more about numbers, there was something that struck me very early in reading budget paper no. 1. Now, the Treasurer spent a considerable amount of time in his budget speech criticising the federal government for not providing enough support to Tasmania. Yet the budget papers show Tasmania receives approximately 66 per cent of general government revenue from Commonwealth sources - from GST and other Australian government payments, two-thirds of our revenue. This is not a criticism; it's simply the reality. I acknowledge the difficult job this Treasurer has trying to walk back years of spending commitments, but relying on the good book to get you out of trouble and biting the hand that feeds you does not appear to be a solid budget strategy. I think I may have found a new nickname for my friend the Treasurer: 'Jon Bon' or 'Jon Bon Jovi', because this Budget appears to be 'livin' on a prayer'.

Ms Rattray - They don't look much alike. Just saying.

Ms THOMAS - Maybe they can both sing, I don't know.

The government says Tasmania's economy is strong. Treasury's own analysis tells a more nuanced story. The outlook has softened, economic growth is weaker, employment is lower, and inflation expectations remain elevated. Yes, Tasmania's economy grew by 1 per cent in 2024-25, but what the government does not emphasise is Treasury's explanation for that growth. That is, growth was driven by public expenditure. Government expenditure.

Private investment declined and this should concern us - government and community services now contribute 29 per cent of Tasmania's economy. Nationally, the equivalent figure is 19 per cent. Service industries contribute 21 per cent. Construction, manufacturing and utilities contribute around 16 per cent, and much of that has also been supported by public expenditure and infrastructure investment.

Meanwhile, sectors associated with higher productivity and higher income, such as finance, insurance, professional services, scientific and technical services, and mining, contribute just 12.4 per cent of Tasmania's economy, compared with 26.7 per cent nationally.

This should get us thinking, because a healthy economy is not one where government becomes the growth engine. A healthy economy is one where private investment grows, businesses expand and productivity improves. A healthy economy is one in which government supports growth rather than becoming growth. Perhaps this government should spend less time relying on public spending to stimulate the economy and more time asking what we need to do to attract industries that create long-term private prosperity.

The labour market tells a related story. Unemployment in Tasmania has increased to 4.6 per cent. Employment reached around 286,000 jobs in September 2025, but by March 2026 that had fallen to 280,600 jobs. That is around 5400 fewer Tasmanians employed between last September and March this year.

I'm not saying that any one government decision caused this, but confidence matters, trust matters and consistency matters. Governments that repeatedly change direction or walk away from commitments should not be surprised if investors become cautious. Between August 2025 and March 2026, this government performed a number of backflips - greyhounds, salmon farming, TasInsure - and, during the same period, jobs have decreased. Is this an unfortunate coincidence or is it a sign of declining confidence and trust in this government? Either way, these trends concern me. These trends in private investment and Tasmania's labour market should concern us all. What also concerns me is when the government does secure private investment, it appears increasingly dependent on Tasmanian taxpayer support to secure it.

I was also struck by the government's own statement of priorities. Budget paper 1 says one of the government's priorities is strengthening essential services. It sounds great, but the examples highlighted under this heading include the \$165 million worth of election commitments in Health and \$506 million equity contribution to TT-Line. Both of these surprised me. If these are presented as the headline examples of strengthening essential services, I think Tasmanians are entitled to ask whether priorities are being driven by strategic need or commitments already made or forced.

Another stated priority is structural realignment to improve service delivery. What follows is a very significant program of machinery-of-government changes - functions moving, departments changing, new entities proposed, a target to remove 250 positions from State Growth - big ideas, but not much detail. At this stage, many staff affected appear uncertain and confused. Announcing structural ideas is not the same thing as delivering structural reform. If there is not yet a clear implementation pathway, how can anyone confidently say that this will improve service delivery? How can anyone confidently say that it will save money? It might, but it could also increase disruption, reduce capability and cost even more.

The government's central response to these challenges appears to be operational efficiencies. Across agencies, these become very significant. Education efficiencies rise to more than \$78 million annually; Health efficiencies rise to almost \$193 million; Police to nearly \$26 million; and State Growth to more than \$75 million. The budget paper calls them 'efficiencies' but, again, let's tell the truth in plain English: this means cuts. It means budget reductions, savings that have to be found through cuts to staffing and services. The Budget says these efficiency measures are cutting approximately 1700 full-time roles by 2029-30. The government says this is to be achieved through natural attrition, workforce renewal, voluntary redundancies, vacancy control and consolidation of functions. It doesn't say it's going to stop doing anything.

Now, I do not oppose a smaller State Service if that is the right policy outcome, but there must be a strategy. Natural attrition does not remove the least valuable work; it removes whoever leaves. Vacancy controls do not necessarily reduce low-priority work, they delay recruitment when vacancies arise. Voluntary redundancies do not guarantee capability is retained where demand is the highest. If this approach worked, we would expect workforce numbers to be reducing already.

We had a jobs freeze announced in March last year, but according to the State Service workforce reports, FTE positions increased from 29,482 in December 2024 to 29,535 in December 2025. Despite the jobs freeze, the number of FTE positions in the State Service increased. Tasmanians are entitled to ask, what is different this time? What will be different

this time? Why should we believe that it will happen? If the jobs freeze announced in March last year has resulted in more jobs in the State Service rather than less, how can we believe this ask of departments will actually be achieved?

What also concerns me is that this government cannot seem to tell the parliament what senior executive staffing costs taxpayers. It can tell us that SES positions increased from 183 positions in 2016 to 266 positions today - an increase of 83 positions - but it can't tell us what the costs of those positions are. If you are reducing 1700 jobs, wouldn't you think that understanding where some of the highest costs sit would be one of the first things you'd want to do? That would be being strategic.

The member for Murchison spoke in detail about the Fiscal Sustainability Report, and I will not repeat her remarks, but I will reinforce one point: Treasury's own work says there is no single measure that will solve Tasmania's fiscal challenge, yet this Budget contains very little to meaningfully increase own-source revenue. There are a few reviews, fee adjustments, incremental changes, but little that appears structural and little things do not solve structural problems. Government needs to make harder decisions. It needs to identify things to stop doing so that the things that it continues to do can actually be done well.

One thing I did note with interest in the fiscal strategy is the proposed budget gating framework. Projects must reach gate 2 of the project assurance framework before they will be included in the budget. I welcome this stronger discipline, but I wonder whether that same discipline will apply to election commitments. While we're talking about stronger budgeting discipline and transparency, I looked for funding for a parliamentary budget office. I couldn't find it. Perhaps if we'd had one at the last two annual state elections, we might not be in the situation we're in right now.

Another risk identified in the Budget that deserves more attention is workers compensation liabilities, which the member for Mersey just referred to as well. Premium costs are increasing by \$83 million, or 39 per cent. Psychological injury claims now account for 31 per cent of all claims and cost more than eight times the average physical injury claim. The response to this issue appears to be largely administrative. Groups are being established, and claims management processes are being examined to seek consistency in dealing with claims. Where is the focus on prevention? Where's the focus on understanding causation? Where is the focus on lived experience and supporting people before claims become entrenched, because sustainability is not simply reducing claim costs; it's reducing harm. I have countless examples of stories where mismanagement has furthered harm in these instances.

I'm not going to speak today about specific local initiatives; there will be plenty of time for that during Estimates. I'd like to get clarity on a number of elements of the Budget where there's not sufficient detail to be able to comment adequately on them in this budget reply. I will flag that I will be seeking clarity on a number of issues important to my electorate and Greater Hobart in the areas of access to health services, permanent breast screening facilities, community sport funding and infrastructure, public transport in the northern suburbs transit corridor and safer communities and victims of crime support.

It will come as no surprise to you that I will continue to ask questions and seek equity in investment to ensure Greater Hobart does not become a place where people can watch sport but not play it. Looking at this Budget, I'm very concerned that if you want your child to play any sport other than AFL or cricket at the highest level, increasingly the answer is that you

should leave Tasmania. That is not good enough, I will not accept this and nor should Tasmanians. I look forward to scrutinising the sport element of the budget next week with the Minister for Sport.

Budgets are not judged by headlines; they are judged by outcomes. Can people access services? Can businesses invest? Can people find work? Do communities feel safe? Can families afford to stay, and can young people build a future here? I support fiscal discipline and responsible budgeting, but sustainability must be built on transparency, strategic decision making and honest conversations with Tasmanians about priorities. That is the challenge for this government. That is the challenge that this Budget presents and that is what I will continue to advocate for on behalf of my community.

I note the 2026-27 Budget.

[12.17 p.m.]

Ms WEBB (Nelson) - Mr President, I rise to speak on the Budget. At the outset I express my appreciation to other members in this place for their contributions. I always appreciate the variety of expertise and insight and analysis that's brought to this place through those contributions. Across all of us, we give it a pretty good going over, as we should, it's our role in this place.

Now on to the Budget then. Budget repair was the order of the day, but I have to ask, what budget repair? What I see and feel when I look at this Budget is more like budget despair, to be honest. Despair for those reliant on the community services being cut. Despair for those facing the impossible task of reconciling fast-depleting coffers with ever-increasing need and demand.

Despair for those impacted by the further loss of 1700 full-time equivalent positions in our State Service, recognising that that could involve more than 1700 actual people, actual Tasmanians out of work, should those positions involve job-shares and part-time workers. Despair for those languishing on healthcare waiting lists trying to fathom what \$700 million in cuts to health services will mean for them. Despair for the squandered opportunities which lie trampled underfoot of this government as they charge along their ideologically driven course yet again.

That is the kicker: there were opportunities for alternative restorative action to be taken to put the state onto an economically sound and socially just fiscal footing. But instead, this government indulged in years of pork-barrelling, of irresponsible expenditure, gambling away our state while racking up enormous debt through mismanagement of key projects, culminating now, in this Budget, in the community having to pay the price.

We are presented with a very grim budget for the 2026-27 financial year, described though as a precursor to further austerity years, because the two following years look decidedly harsher and decidedly bleaker according to the forward Estimates presented in these budget papers. People are rightly asking, how did we get here? How has our state reached the point that despite recognised social need across integral sectors such as education, health, housing, climate change mitigation and the need to address increasing cost-of-living pressures, it can no longer afford to do so. We can't afford to do the basics our Tasmanian people need. Basically, these budget papers state the government cannot meet the needs of our community. How did we get here, Mr President?

We are all aware of both the nation's and the state's economic vulnerability to external unpredicted events, such as the current war between the United States and Iran or, looking back, the COVID-19 pandemic. Fair enough. However, as we have been informed by a range of commentators and experts, the deterioration of the state's financial position in fact began prior to COVID. Yes, it was exacerbated by the necessary financial assistance packages across the business and community that were rolled out during and immediately post the pandemic years. However, as members who were here at the time would recall, I and many others, called for a coherent and expert-driven review of our state's financial framework to help drive an appropriate, to-scale and community-centred approach to restructuring and rebuilding our financial framework post the pandemic.

On the one hand, it's arguable the pandemic did show that with political will we could look after the most vulnerable in our community. We could put a roof over people's heads, for example. We could prioritise targeted healthcare delivery. We could invest in innovative and flexible education and other service delivery models. Yes, at a cost and a scale that nobody expected to necessarily continue indefinitely, but what it did demonstrate was the need. Hence my call at the time for an independent expert review commissioned by the state parliament to evaluate whether our current, at the time, financial framework was fit for purpose, was pulling the right progressive levers when it comes to our revenue and expenditure mix, and whether we were bogged down with dated, regressive approaches that needed to be dispensed with.

Instead, the then premier, Mr Gutwein, went with his Premier's Economic and Social Recovery Advisory Council model, which I argued was limited and flawed at the time. I still contend that and won't repeat my extensive arguments about that here, but it was a flawed model, and it did not deliver us a true and right way out of that predicament. Suffice to say though, sadly I've been proven correct when I raised concerns at the time about the PESRAC outcomes. They focused on cutting and reshaping TasTAFE, and the disproportionate reliance on building our way out of the pandemic, which prioritised the construction industry over many other sectors which also contribute to our state's bottom line as well as our community's wellbeing. The failure to seize the moment and the impetus when the state was looking at reshaping itself post-pandemic, to stem the deterioration of our financial situation in a consulted, coherent and managed manner was, I firmly believe, a missed opportunity which has cost us dearly.

On another level, the failure to heed and comprehensively implement the 77 recommendations of Dr Watt's Independent Review of the Tasmanian State Service, which reported in 2021, is another irresponsible missed opportunity which needs to be named up here as a precursor to this Budget. The Watt review was established to evaluate whether the State Service was fit for purpose for now and into the future. To quote from the Department of Premier and Cabinet website, the Watt review resulted in 'a roadmap to reform'. It outlined 'administrative improvements that with transform current structures, services and practices to deliver a more efficient and effective public service'.

Yet, despite the government accepting in principle all 77 recommendations towards that end, the last update indicates only 15 of the recommendations were implemented in full and a further 20 are underway. Even adding those together, you still get to less than half of the 77 recommendations total. There is something, quite frankly, perverse in this government spouting nonsense about 'right-sizing' our public service when it has so manifestly failed over the past five years to implement the independent expert recommendations to do just that. Potentially, a more timely and focused delivery of that suite of reforms from the Watt review may have

already identified and delivered savings and efficiencies in our public service, which we would be seeing the benefit of now and would put us ahead of the curve instead of facing this cliff that's in this Budget.

Instead of heeding those earlier structural reform calls and independent reform packages, we saw successive iterations of this government indulge in gross election pork-barrelling, corporate welfare and, of course, large-scale capital works such as the divisive AFL stadium on Macquarie Point. Warnings were not heeded, and instead the government chose to keep piling on the debt, while at the same time refusing to engage in a mature discussion regarding the need to review our revenue capacity and sources.

Let's look at what exactly this 2026-27 Budget does set us up for across a few key areas: sadly, predictions were confirmed that cuts to State Service jobs and services would be the almost exclusive lever supposedly pulled to shift us onto a budget repair trajectory. At the outset, I consider such a focus, almost to the exclusion of other potential levers, as an indication of the extent to which this Budget is predicated upon ideology rather than sound, sustainable fiscal structural reform. While being framed as a return to a smaller, pre-pandemic public service, apparently a right-sized public service, in my opinion, the attempt to balance the books by cutting \$1.47 billion from the State Service is an even more extreme demonstration of that ideological lens than people expected.

Further, it is false economy. The effects will be far-reaching should these cuts be even partially delivered. We cannot keep demanding that the State Service deliver more with less; what is the right size State Service? The budget papers tell us the government has decreed the right size of the State Service is no more than 44 percent of the state's revenue; but according to whom? How does this apparently arbitrary nexus reflect the community's needs for services and support, targeted to regional and sector needs?

The government is quick to refer, without evidence, to a right-sized state sector, while remaining conveniently silent about whether we have the right mix or scale of revenue on the other side of the equation, a matter which I will discuss further in my contribution at a later stage. Although it has been noted that in these budget papers specific savings measures are indicated against particular agencies and departments, which is a better level of detail than we've had in the past, there is no transparency about how those amounts were arrived at, let alone how they will impact health services, school and education services, protection of our waterways and parks, our justice obligations, our social housing targets or capacity to meet crisis accommodation demand, just to name a few.

Cutting State Service roles is a cut in services. It is a false economy when it's done as a blunt instrument, as in this Budget. We must also keep in mind this is at least round three, following successive financial years of being subjected to efficiency dividends. Those efficiency dividends have apparently been targeting backline positions the entire time. They must be largely gone already, I would have thought. Besides that, it is a lazy furphy to suggest that cutting what can be termed backline or back-office positions does not impact services delivered. We all know that instead of increased efficiencies or productivity, in far too many cases, the work undertaken by those who would be defined as backline or back-office positions doesn't just evaporate when those people are cut from the equation; instead, it shifts onto the desks and the shoulders of those considered frontline or essential, impacting their efficiency, their productivity and, in growing numbers, their morale.

For example, I'm aware that currently our Parks and Wildlife Service is struggling to comply with a range of statutory obligations due to a shortage of staff. Further, it's currently unable to ensure commercial tour operators are complying with their requirements, which actually results in loss of licence and other revenue. This situation is exacerbated by the fact that there is nobody on deck in this particular area except volunteers for up to 120 days per year, apparently. This is just one example where so-called efficiency dividends have actually delivered perverse outcomes, potentially, and the state may in fact be losing revenue as a result. Clearly that sort of example is false economy in action.

Another example of false economy would be the former efficiency and productivity unit, the EPU, housed in DPAC, which now appears to have been made redundant. Given the EPU online survey commenced in 6 November 2025 and is scheduled to close by 31 May this year - what's that, maybe a couple of days from now - one wonders to what degree any suggestions received have been considered and incorporated into this decree from on high that 1700 jobs are surplus to the community's requirements.

The seemingly arbitrary determination about the right-sized State Service and the depth of the projected funding cuts, without any supporting evidence or forward-looking restructure plan, risks eroding our critical core knowledge, our institutional and governance knowledge, and the skills base of our public service, while we know at the same time that need and demand is growing. Of course, greater genuine efficiencies and productivity should always be sought; but there is an important distinction to make between efficiency and simple cost cutting. They cannot be assumed to be the same thing or expected to deliver the same outcomes, but there is no nuance in this Budget.

Speaking of outcomes from cuts, we know people across the Tasmanian community are under real pressure. Equally, the community services providing the support the most vulnerable people here need are under immense pressure also as demand for their services grows. TasCOSS outlined this very clearly in its state budget wrap-up, and I'm going to quote from that state budget wrap-up:

Many of the positive measures announced in the Budget were short-term and temporary, at a time when the uncertainty facing Tasmanians demanded long-term investment.

The Treasurer's commitment to a 'caring community' cannot exist without early prevention support, housing security and sustainable community services, which were not made priorities in the Budget.

We are deeply concerned around the long-term impacts of reduced funding over the Forward Estimates for community services, with expenditure by output projected to be cut by 13.6% from last year's budget.

We'll be seeking further detail on what this means, but on the face of it, this would represent a significant reduction in the capacity of our industry to respond to growing demand and future crises.

That could not be clearer. That is TasCOSS, the peak body for our community services sector, saying this Budget is undercutting that sector and puts it at risk, in jeopardy and

therefore the services it delivers to the Tasmanian people - our most vulnerable Tasmanian people - at risk and in jeopardy. The TasCOSS budget wrap-up goes on to say this:

Through the Tasmanian Coalition of Community Service Peaks *#PrioritiseallTasmanians* campaign, we called on the Government to protect community services from cuts and commit to long-term funding certainty, because when services can't cope with demand, Tasmanians miss out. TasCOSS and many members remain deeply concerned by projected reductions in the Community Services output group expenditure over the Forward Estimates, with funding forecast to decline by 13.6%, compared to last year's budget. This creates serious uncertainty about the industry's future capacity to respond to growing demand.

They say this as well:

Given increasing workforce and operational costs across the industry, TasCOSS is calling for the indexation review to be brought forward and to deliver a transparent, evidence-based indexation formula that reflects the true cost of delivering community services.

Now, that's significant. They have said they are deeply concerned about the reductions projected in this Budget, that they will not be able to respond to growing demand, and they point to indexation. As a little bit of a matter of history here, because I came from this sector to this place seven years ago: I spent 20 years in that sector, and for the last 10 of those years I was with organisations that were regularly advocating on behalf of the sector, for the funding of their services and for appropriate indexation. Appropriate indexation, modelled and properly in place and committed to over a long term, that can be relied upon by the community services sector is something that has been missing under this government for the past 12 years.

This government has failed year after year after year to give this certainty. They've held it like a carrot out in front of our community services sector, like a carrot for them to be chasing. It has never been delivered properly and it's still being dangled like a carrot out in front of this sector. The sector is saying, please bring this forward and actually get this done, model this out, give us a transparent, evidence-based indexation formula for our funding arrangements that we can rely on and plan for. It's still not there, and the sector is crying out for it, as it has been the entire time this Liberal government has been in place since 2014? It's been a long time. Too long, in my opinion. This is a sector that we take for granted and, particularly, that this government takes for granted again and again and again. It's just assumed that they will suck it up and keep supporting people from the goodness of their hearts - that's what they're all about in the community services sector. Well, that's just, quite frankly, appalling and shameful for that to be taken for granted. I noted this in COTA's state budget response statement. They said this:

Of significant concern to COTA and our colleagues in the Coalition of Community Service Peaks, is the projected reduction in funding for community service organisations across the forward estimates.

They go on to say that the cut would have 'real consequences, with more Tasmanians at risk of missing out on essential support and care'.

Community organisations are the backbone of support for many older Tasmanians. A cut of this scale will have real and immediate consequences for people who rely on these services to stay healthy, connected, and independent.

That's the thing: when we start to look at particular cohorts who are being supported through our community services sector, they are cohorts that typically have vulnerabilities and need services and support for particular sorts of engagement, whether that's in our community, whether that's in our economy, whether that's with other services like our health system. When we undermine these services and support, we not only cripple that direct service delivery done by the community services sector but it ripples out. It ripples out because it will then have an impact on, say, our health system. It will have an impact on our education system. It will have an impact on our economy, ultimately. It will have an impact on our community cohesion. That's something that I think a lot of people would be concerned about, because I know a lot of people in the Tasmanian community are concerned about issues around community cohesion.

When we're not delivering the basics for our community, when we're not supporting them in the most fundamental ways, what happens is cracks grow deeper between people, and our community begins to feel the effects of those cracks when it comes to cohesion. A caring community, according to the Treasurer, is what this Budget is delivering. A caring community, says the Treasurer. However, in its budget wrap-up, TasCOSS reflected on the urgent cost-of-living pressures that are continuing to be ignored by the Liberal government despite what may be claimed. TasCOSS says this about those pressures: 'But cost-of-living relief for households is an oversight'. An oversight, just to make that really clear: an oversight. Actually, how can we even say that? It's such a mild word for something that's quite appalling: an oversight. I will go on with the quote:

... cost of living relief for households is an oversight, and will impact the ability for families to afford the rising cost of rent, bills and other amenities, which are compounded by conflicts offshore.

At a time when the Government continues to invest heavily in projects like the Macquarie Point stadium and a half a billion dollar bailout to TT-Line, Tasmanians are entitled to ask why the same level of urgency is not being applied.

Believe me, thousands upon thousands of Tasmanians are asking why and how this government can have so grotesquely butchered its priorities in this way. We know that there are substantial investments and reforms that have been in train in our child and family and our youth justice spaces as a result of the commission of inquiry. We know that these all require continued commitment, not just to implement them on paper but to implement them fully in practice, because the ultimate aim that we are all trying to achieve is to make Tasmanian children safer in this state.

We've already seen, through our joint standing committee scrutinising the implementation of these recommendations, some warning lights flashing at the fact that continued, appropriately targeted, but also an appropriate quantum of funding to implement these recommendations is absolutely essential. A lot of them require significant workforce development and expansion. A lot of them require more investment into training and skilling

up our workforces across all these related sectors. A lot of them require new skills in spaces and at a level not required before. All of this will cost money, and all of it needs to be done now in the face of significant cuts to be expected across these sectors. That's something that I think all of us may have some significant concerns about, in terms of where to from here, implementing our commission of inquiry recommendations and achieving that ultimate outcome of safer institutions for our Tasmanian children.

I do note that some of the community sector folk acknowledged the investments that had been made in some of these areas, the fact that the budget papers do point to funding specifically towards some of the recommendations made from the commission of inquiry that are in the process of being implemented. That's fine, but we also have to see what the cuts will mean and where that will potentially undermine the good efforts that have been in train in these spaces. TasCOSS said, when their budget wrap-up reflected on this area:

While funding has been directed towards statutory and crisis responses, there appears to be less focus on the community-based supports that prevent children and young people and families reaching those systems in the first place.

This raises important questions about the Government's long-term commitment to prevention, early intervention and community led reform.

I agree with that statement. We will have to wait and see, to some extent, and I hope what we're not going to see is things fall in a hole as these reforms continue to play out. It's hard not to always include in these sorts of reflections on state budgets some comments on housing, and affordable housing in particular, because it's such a fundamental challenge in our state, particularly for Tasmanians who are most vulnerable. Again, I'm going to quote from some of our community sector colleagues because they are at the front line of this, and they know when they read the budget papers exactly what it's going to mean for the people that they work with and support. Again, TasCOSS said this in its budget wrap-up:

Tasmania's housing crisis continues to worsen, with housing affordability at record lows, rental stress is increasing and the social housing wait list continues to grow, reaching another record 5,533 applicants - representing more than 9,000 Tasmanians.

TasCOSS was looking to this budget for a significant commitment to increasing the supply of social housing, but disappointingly, we saw more of the same.

While we welcome announcements of new money for Jireh House and McCombe House, other measures are unlikely to meaningfully improve housing affordability, including the extension of the First Home Owner Grant at a reduced rate, a measure that many economists argue actually increases house prices.

Shelter Tasmania, the peak body for housing and homelessness in the community services sector, said this in their post-budget comments:

Tasmania is in the midst of a housing crisis, and we know that rising rents are a major contributor to cost-of-living issues for Tasmanians. Housing prices and rental costs are growing much faster than people's incomes, will the worst impact felt by those who can least afford it.

They went on to say:

More than 40,000 households are under rental stress in an increasingly competitive private market. Support must be prioritised for those on the lowest incomes - which is why Shelter Tasmania's key ask for this Budget is to increase the supply of social and affordable rental homes.

But they then observe that:

One in three Tasmanian households are now struggling with rental affordability, exacerbated by a growing demand for short stay accommodation.

They have the damning comment, of course, and say this:

Increases in short-term rentals, like Airbnb, are adding to the housing crisis. There are now 9669 total short stay properties in Tasmania. Over 4700 of these are entire homes that have been removed from the long-term rental market.

We know that this is a significant factor here that we cannot ignore, and yet this government continues to ignore it. A short-stay levy does not fix it, especially if you're not going to direct that money into social and affordable housing, hypothecating it for a purpose to offset the harm that's being done by the short-stay market to our private rental market. We know there's been a 45 per cent increase in homelessness between the 2016 and the 2021 census. It would only be growing since then also. There are persistently high rents in our private rental market because we do nothing to ensure they aren't in a race to the top under our current laws. It's causing more Tasmanians to face homelessness and it's causing more Tasmanians to apply for social housing. That's why we have those record numbers, the 5533, which is actually the applicant number. When you're talking about how many people are on the waiting list, it's 9000 Tasmanians. That's an increase of 9.2 percent in the last 12 months. Waiting times have blown out to 104 weeks. An independent analysis for Shelter Tasmania shows that more than 500 additional social housing homes need to be built every year until 2041 to meet demand. That's not what's being delivered by this government in this Budget, and there is no intention for this government to actually solve this issue for our state, if we go by what's presented in these budget papers. Budgets are about priorities. This is clearly not one.

I also have concerns about the machinery of government changes, the scrapping of the Department of State Growth and what that's going to mean in this space. It's certainly going to have an impact. It's on the record that just a few short years ago when we passed legislation here to form Homes Tasmania. I opposed it at the time because it was inappropriate to take all that functionality out of a government department, put it at arm's length from accountability for the minister in charge and put it under a skills-based board. Apparently, however, that board was going to leverage lots of wonderful debt, have lots of innovative ideas and deliver well and

truly on solving our housing crisis here. Of course, as we know, that did not happen. None of that happened.

Now we have the demolition of the Department of State Growth and we have the creation of Building Tasmania as a new department entity. Quite rightly, I think it is good to be bringing Homes Tasmania back within a government department environment. I think that's where things should be focused in this space; that's where accountability should lie in this space. So, that's not necessarily a bad outcome. The thing that concerns me, though, is that in the space of our housing and homelessness supports, there are a lot of different levels of services and support delivered. It's not all just about building homes and construction. Yet, our housing and homelessness services are going to be put into an entity called Building Tasmania. Parts of what we do in those services and supports might fit under an entity called that, but I'm really concerned that we're putting a whole range of housing and homelessness support services into something called Building Tasmania because I don't think that's where they belong. I'm going to be watching how that plays out really carefully as the demolition of State Growth progresses during this year. I think it's going to be very interesting to see how that provides for more accountability back to the minister of the day and the government of the day.

I note other members - I think it was the member for Murchison and maybe another member as well - commented on the very interesting situation where we're claiming savings out of the process of dismantling Homes Tasmania, but we don't appear to be acknowledging the liabilities that come with that, because Homes Tasmania carries a lot of debt as well. So, that's going to be an interesting shifting and moving of numbers on pages to see where we end up in that equation.

Another area I want to speak about is digital inclusion, which is foundational in a modern community. Digital inclusion relates to both access and capacity; that is, people being fluent and being able to access digital services and supports, and actual just functionality in their daily lives. Digital inclusion, through that access and capacity, are essential building blocks for a successful modern community and economy. Just as we need a workforce of people in high-vis vests and steel-toe boots to do construction work, we also need the infrastructure, education and skills to ensure digital competence and innovation. In effect, in a modern environment, the people in the high-vis vests need that, too. I think it is absolutely crystal clear the government is dropping the ball on this one. This government is ignoring the huge digital inclusion challenge our community is facing and, in doing so, it's undermining the ability of our state to thrive and for Tasmanians to live a good life.

Our digital disadvantage affects all Tasmanians, but there are also particular impacts on various cohorts within our state. I note that not only did TasCOSS raise concerns about our poor investment - or complete lack of - in some cases an undermining of previous investment - in digital inclusion. We had groups like COTA in their budget response statement pointing to particular impacts on the cohort they represent, older Tasmanians, and the fact that the dropping of this ball by the government will actually play into a diminishment of services and supports for older Tasmanians in these places. As they say, without targeted investment, many older Tasmanians are at risk of being left behind.

TasCOSS pointed out that, despite they and others in the community services sector calling for greater investment in digital skills and literacy, the Digital Ready for Daily Life program was scrapped. They'd called for it to be doubled and, let's be clear, is a very modest request. Doubling that program would have only brought it up to \$400,000 a year - a pretty

modest investment. Instead of going with their recommendation and seeing the benefit of that play out in the Tasmanian community, we've seen it scrapped. They've even pointed out that Libraries Tasmania, a critical enabler of digital access and skills, has also received a funding reduction in this Budget. Things are coming from left and right, on all sides, saying that rather than digital inclusion being regarded as essential infrastructure and supported, it's being undermined in this state and in this Budget. TasCOSS continues to call for a reinstatement of investment and an improvement in investment in that space. I don't know when this government thinks it's going to be the right season for digital inclusion investment in this state, but my goodness me, at the moment, I think we're in the winter of that area.

It's one of those things that seems intangible, in many ways, because it's not about putting a brick on top of another brick, or putting great big steel beams up and all that sort of thing. You don't have to wear high-vis for it. But, in a modern environment, we know we are already behind here and if we continue to allow ourselves to fall further and further behind, we will never catch up. A small place like Tasmania has so many opportunities for innovation, for new thinking, for leaping ahead when it comes to the digital space, because we don't have to be one of the large jurisdictions, one of the other states, to become a leader in some of these fields. But instead of that, we're falling behind.

The expected savings, or let's be clear and call them cuts, that the health sector is assigned in this Budget is \$131.4 million in this 2026-27 year alone. Our health sector is already described as struggling and broken by the professionals who work in it, yet, to assist in the savings that form the Budget's bottom line, there's not plan a or any details for the delivery of savings that also shows us how necessary services and health care will be maintained. This is a significant omission and a failure by the government.

Over the decade to 2025-26, we know health costs have increased by an average of 8.5 per cent each year yet, apparently, this can just be turned around in a sustainable manner without impacting on service delivery to the value of over \$700 million over the forward Estimates cut. Are we also meant to presume that the decades of increases in demand in both the acute and the emergency wards are suddenly going to decrease? I don't think anyone's deluded enough to think that. We're not going to meet what we would normally expect to be the inflation rates in health each year. We're not going to meet what would be expected in terms of increased demand each year. Instead, we're going to cut what's there to ribbons. Struggling and broken is our starting point; God help us where we end up at the end of the forward Estimates.

In this space, something that's often overlooked, or is presented as an afterthought or a trivial little bauble on the side, is preventative health. Ultimately, if we want to take the pressure off our acute and emergency healthcare services, we need to have a significant uplift in what we do in the preventative health area. We need to stop people ending up in hospitals. We need to stop people ending up in emergency wards, and we do that through preventative health measures.

It is absolutely rock-solid, research-proven that to make a tangible improvement in preventative health, which would then flow through into taking pressure off the acute health systems, we need to invest at least 5 per cent of a health budget in the preventative health area. That's the research-proven quantum.

What we're looking at - and I'm quoting here from TasCOSS' work analysing the budget - a preventative health investment, if it was to be 5 per cent of our health budget, it would then be about \$183 million a year based on this budget. That's what we should be looking at putting into preventative health. Instead, the Budget delivers a modest first step of \$5 million per year over the forward Estimates on preventative health. It should be \$183 million a year, but it's \$5 million a year.

Now that makes things very plain. We cannot achieve what we should be achieving in preventative health with such a paltry investment in it. The government may well point to its 20-Year Preventive Health Strategy that it's put together. That is all well and good, but if it amounts to nothing but a hill of beans in terms of an actual outcome at the other end, then that's just busywork. That might be nice and glossy and sits on a shelf, but if all we're investing in it is \$5 million a year, it's nothing. It's not enough. It won't actually assist us with our healthcare challenges in this state.

Many in the health area, in the community services area, consistently call for a reshuffle of investment to direct more into the preventative health area. It's an investment in the future. Sure, it's a tough ask in the short term, but if we want tangible difference down the line, that's what we need to do. We don't change a trajectory unless we invest up the top end of the stream when it comes to needs and demand.

I've already pointed to the work of the peak body for older Tasmanians, COTA, a couple of times in terms of a response to the Budget. I have a particular interest that has extended from the very first job I had in the community services sector where I worked in community aged care. I maintain a very strong policy interest in the area of support, services and policy settings around older Tasmanians, so I did take a bit of a look at what others were commenting on within this area in the Budget.

I do note that less than 12 months ago the state government appointed a Minister for Ageing, which was an interesting and positive development at the time. It should have been a gesture towards showing priority and support for this cohort of Tasmanians. We should have been able to see that demonstrated in the Budget when we looked here, given that we've gone down that path. But when I look at the COTA state budget response statement, this is what they had to say about that. I'm going to quote from it. I'm quite happy to put the words of our community services peak bodies here on the parliamentary record because they're the experts in this space. This is what COTA had to say:

Budgets are about more than numbers. They are a tangible annual statement of what a government values, what it prioritises, and who it sees.

In an ageing Tasmania, that must include 40% of Tasmanians now aged 50 and over - a proportion that continues to grow. These are the people who have contributed to and shaped the Tasmania we are proud to call home. As we move into later years, people need confidence that governments have planned for, adjusted to, and can support their changing needs.

The Budget handed down last week did not reflect the realities of demographic change or the growing pressures facing older people across the state.

UNCORRECTED PROOF

Tasmania has the oldest population in the country and yet this budget does not match the scale of that shift. Older Tasmanians are a significant and growing part of our community, and they deserve to be seen ...

Sitting suspended from 1.00 p.m. to 2.30 p.m.

QUESTIONS

Ambulance Services - Kingston

Ms WEBB question to LEADER for the GOVERNMENT in the LEGISLATIVE COUNCIL, Ms RATTRAY

Following a recent incident, the afternoon of Friday 24 of April this year, where a member of the public fell while visiting the Kingston Library resulting in that person being in extreme pain, feeling dizzy and nauseous, and later diagnosed as suffering a fractured humerus, but at the time was advised there would be an approximately seven-hour wait for an ambulance -

Can the government please detail:

- (1) the number of public ambulance and paramedics based in Kingston;
- (2) the number of ambulance call-outs made in the Kingston area on a monthly basis since January this year;
- (3) the average time taken between the initial call requiring an ambulance to be sent to the Kingston area, and the dispatch of an ambulance in response to that call for months since January 2026;
- (4) the statewide average time taken between initial call requiring an ambulance, and the dispatch of an ambulance in response to that call per month since January 2026;
- (5) the current departmental guidelines or policy regarding acceptable ambulance call-out wait times;
- (6) whether taxis have been utilised to transport patients in response to calls for an ambulance made in the Kingston area, and if so, how many times have taxis been used for that purpose since January this year?

ANSWER

Thank you Mr President, I will come here rather than have my back to the member.

- (1) There is currently one rostered ambulance located at the Kingston Ambulance Station that is continually staffed by two paramedics 24/7. A change management process is currently underway with unions so a

second ambulance crew can be added during peak demand periods. In addition, due to the expected growth in the Kingborough region, construction is underway at the station that will see garages built to house a further two ambulance vehicles.

- (2) Between January 2026 and April 2026, an average of 372 ambulance dispatches per month arrived on scene at incidents within the Kingston response area. For the month of January 2026, 371; February 2026, 343; March 2026, 397; and April 2026, 375.
- (3) Between January and April 2026, the median time from a 000 call to ambulance dispatch, first resource mobilisation to the Kingston area was 6.3 minutes. The median indicates that around 50 percent of ambulances dispatched within this time.

Ambulance Tasmania uses the median rather than the average as it is less affected by extreme values and provides a more accurate reflection of typical performance. This metric aligns with report on government services (RoGS) reporting and methods in other jurisdictions. For the month of January 2026, the Kingston mobilisation is as follows: 6.2 minutes; February 2026, 6.3 minutes; March 2026, 7 minutes; and April 2026, 6.1 minutes. Between January 2026 and April 2026, the statewide median time for a 000 call to ambulance dispatch first resource mobilisation was 6.3 minutes.

- (4) Ambulance response time targets are aligned with national performance standards and subsequently benchmarked against other Australian ambulance services. Ambulance Tasmania's urban and rural response time metrics are drawn from the Tasmanian Health Services Plan 2025-2026 under strategic priority 2, providing high quality and safe patient-centred care.

The KPIs are comparative to how other ambulance jurisdictions measure and report on the report on government services data. Most jurisdictions separate how response times are measured within their capital cities in comparison to areas with more dispersed populations. Some jurisdictions only report on capital city or urban response times.

KPIs undergo annual review to confirm their relevance and effectiveness in supporting community services. There's a small table with a KPI number and a key performance indicator and then a target the member will receive when she receives the answer.

- (5) Ambulance Tasmania strives for continuous performance improvement and works to identify new initiatives that aim to positively influence emergency response times and meet the needs of the Tasmanian community. These initiatives include recruitment to frontline roles, roster review and reform, infrastructure enhancements, and the development and strengthening of new and existing medical referral pathways.

- (6) The last question in two parts: Between January 2026 and April 2026, there were seven cases in the Kingston suburb where secondary triage clinicians assessed that a taxi was the most appropriate response.

All requests for ambulance services are triaged and prioritised based on urgency and the information available. Wait times are actively monitored and patients may receive callbacks or be referred to alternative services where assessed as clinically appropriate.

Secondary triage is one such service which may identify safe alternative care pathways or transport options if clinically safe and appropriate to do so. This approach is consistent with other ambulance jurisdictions and, importantly, is done in consultation with the patient and decided by the clinician.

Tasmanian Wilderness World Heritage Area - Mt McCall Roadworks

Ms O'CONNOR question to MINISTER for PARKS, Mr DUIGAN

[2.38 p.m.]

Minister, are you able to provide the Council with some detail on the roadworks on the Mt McCall road into the Tasmanian Wilderness World Heritage Area? As we understand, there's quite a large amount of heavy machinery in on the Mt McCall road, up to eight machines clearing last week inside the Tasmanian Wilderness World Heritage Area. I'm sure you understand why residents of Maydena, who get frustrated that there's been no works done on the bike park road up to Eagles Nest, would like to understand what those works are on the Mt McCall road in the Tasmanian Wilderness World Heritage Area.

ANSWER

Mr President, I will seek some advice.

I thank the member for the question and noting I have a question from the member for Lyons on the same issue.

Ms O'Connor - Ms Badger, on a very similar issue.

Mr DUIGAN - We are collecting that information. I don't have it with me yet, but we are getting it and I will get it to you as soon as I have it.

Ms O'Connor - Do you have anything you can explain about the works on the Mt McCall road inside an area of Tasmania for which you have responsibility?

Mr DUIGAN - I am advised no. I do not at this point, but I'm working on that and happy to provide it to you when I have it.

Ms O'Connor - Is your department keeping you in the dark?

Mr DUIGAN - No.

Ms O'Connor - Well then, do you have nothing to say? Are you on top of your portfolio?

Mr PRESIDENT - Order.

MOTION

Budget Papers 2026-27 and Appropriation Bills (No. 1 and No. 2) 2026 - Noting

Resumed from above (page 36).

[2.40 p.m.]

Ms WEBB (Nelson) - Mr President, I had just been speaking about older Tasmanians and the impacts this Budget will have on that cohort of our community. I was quoting from COTA's state budget response, which expressed their disappointment in the absence of appropriate targeted supports for this significant part of our community. The final sentence I was quoting from that statement was, 'Older Tasmanians are a significant and growing part of our community, and they deserve to be seen in the Government's priorities. That's the end of the quote. COTA goes on to acknowledge some modest commitments in the Budget, but then they say:

However, these measures fall short of what is required, with the overall level of investment not going far enough to address the real and immediate challenges older Tasmanians are facing. The Budget lacks targeted measures to address cost-of-living pressures, which are being acutely felt by pensioners, and includes no meaningful investment in programs addressing social isolation or supporting mature-age job seekers.

There are many vulnerable cohorts in the Tasmanian community who are going to be affected by what is not in this Budget, by the absence of support that's being offered here because of either cuts that are going to be imposed through our service systems or drop-offs of funding being provided to our community service support organisations. That's something that we will see the impact of in a cascading way in coming years.

Earlier in my contribution I used the phrase 'false economy' in relation to the cuts proposed in our public service, and the lack of continued investment and appropriate investment in our community services is also a false economy. The more we underfund those services, the greater the deterioration in the wellbeing of our community, the social cohesion in our community and the resilience of our community to manage the challenges that Tasmanian families face every day. I fear the trajectory that that sets us on.

I mentioned the matter of risk that was presented in chapter 4 of budget paper 1. Potentially, a future reform of Tasmania's fiscal framework would be a formal recognition of climate cost as a risk, along with the economic opportunities of a green transition inclusive but not limited to renewables. If we can claim revenue from increased insurance duties due to more frequent and extreme weather events as a positive benefit in our budget papers, then the reality of climate change impacts - the disruption upon people's health and wellbeing, the sustainability of our state's biodiversity, the productivity of sectors such as primary industries and water - should all be recognised as risks and addressed throughout the budget papers, I believe.

This is additional to any ongoing climate-related policy and program development and implementation across portfolios, which should also be represented in the budget. In fact, the formal inclusion of climate risk within our fiscal framework would assist in driving policy coherence across clean energy investments as well as other climate-disruption mitigation policy priorities, many of which we are sadly neglecting.

I haven't had the opportunity to delve into this in detail yet, but I believe that in these budget papers we're actually seeing cuts in areas of climate-change action. That is an incredibly false economy for us to go down that path. Perhaps the member for Hobart, who's yet to speak, will have more to say on that area. It's one I'll take a look at in more detail in time.

There's a really important area that I want to speak about now in relation to this Budget. It's the fact that I heard no mention in the Treasurer's budget speech of the Tasmanian Aboriginal community. Nor can I find any mention of the significant commitment this Liberal government previously made to progress treaty and truth-telling with the Tasmanian Aboriginal community. Nor could I find any specific mention or allocation throughout the budget papers to progress that previous commitment and work towards it. I think that's an incredibly unfortunate omission. In fact, that's an understatement. I think the silence on any mention of the Tasmanian Aboriginal community, by the Treasurer in his speech or in a priority way in the budget papers, shouts contempt and failure of this government and its commitment to reconciliation, to restoration and to treaty and truth-telling. The government's moral compass has lost direction on a fundamental human rights matter, one that goes to the heart of the Tasmanian community.

Yesterday was National Sorry Day, the day on which we acknowledged the Stolen Generations. It marked the 29th anniversary of the Bringing Them Home report in 1997. That report shared the history of the Stolen Generations and made 86 recommendations to address the ongoing intergenerational harm inflicted on Stolen Generations survivors and their families. However, here we are a generation on and only five of the report's crucial recommendations have been fully implemented. I note that this year's theme for Sorry Day was 'From Sorry to Action,' calling on further action from leaders to commit to making meaningful change because sorry without action is simply not enough and not good enough. How shamefully short we are falling in this state on that front.

This week, in fact, is National Reconciliation Week, which kicked off here in Hobart this morning with an annual breakfast hosted by Reconciliation Tasmania. It was a moving event. This year Tasmania forged its own path, led by the Tasmanian Aboriginal community, with a theme for the week that eschewed the terminology of 'reconciliation' for the theme Truth, Reckoning, Change. A powerful panel of speakers reflected on that theme and the actions required in our state to honestly listen to and understand the stories of the historic and ongoing harm suffered by the Tasmanian Aboriginal people as a result of invasion and dispossession. This truth-telling must accompany a genuine intention to progress treaty in order to heal the relationship between our first Tasmanians and the non-Aboriginal community here in our state.

We are supremely fortunate to live in this place, where we are graciously invited by the Tasmanian Aboriginal people to engage with them in truth, reckoning and change. What an opportunity we have to celebrate and share in the pride and knowledge that comes from a connection to place held by the oldest continuous culture on the planet, stretching back more than 2000 generations and for over 40,000 years. The Tasmanian people and our communities have so much to benefit from in embracing this generous offer from the Tasmanian Aboriginal

people. It should be, I believe, a priority for the state government. Not only that, it should be a priority for the Premier, who, as I have regularly asserted in this place, should rightly hold the portfolio responsibility for Aboriginal Affairs. This would correctly and respectfully situate leadership of this priority area within the government.

Chapter 4 of budget paper 1, Risks, Sensitivities and Presentation, includes a range of redress and compensation matters arising from the historical institutional abuse involving current redress schemes and civil claims against the state. Such schemes identified as risks include claims against the state by survivors of institutional child sexual abuse and the recently announced historical forced adoption redress scheme. These significant mechanisms by which the state takes responsibility and attempts to make some form of recompense for the harm inflicted are considered as risks on the budget books. It is the responsible course of action that we should be investing in strengthening oversight, integrity and good governance entities. That investment in good governance and strengthened oversight is clearly a sound investment not only in our human rights protection of our Tasmanian people, but also in our budget bottom line, given these things are identified as risks in a budgetary sense.

Before I move on to talk about those entities of oversight and integrity, which members here will no doubt understand is an area of particular interest for me in an ongoing sense, I do wish to make two calls first on the government, which are a matter of justice when we're talking about matters of redress.

Firstly, I call on the government to expand the current historical forced adoption redress scheme to include the children who were removed from their mothers, as well as the fathers who were also denied access to their children under those abhorrent policies of the past. Secondly, I reiterate my calls for a redress scheme for those family members affected by the wrong practices at the RA Rodda Museum, which saw body parts stolen from coronial autopsies and kept without consent. Those are both matters of justice for Tasmanians harmed by actions of the state, and I call on the government to act on those with alacrity.

Most here will be aware that a lack of adequate funding has plagued our Integrity Commission for many, many years - one of the many blockages to it functioning as intended and as desperately needed in our state. Other blockages, of course, have been long-delayed legislative reforms identified a decade ago under the Cox review and allowed to languish in neglect, and now, finally, perhaps being progressed - fingers crossed - in legislation this year. As much as the legislative reform was so readily neglected by this government, so has adequate funding of the Integrity Commission been neglected. It's a matter of embarrassment and disgrace that our Integrity Commission is so woefully funded for so long that the previous chief commissioner, in desperation perhaps, in recent years, had to begin publicly criticising the neglect of this Liberal government and making stark calls for improved funding.

That wasn't the only one of our statutory entities having to speak out. In fact, it had become a veritable chorus, but to no avail, it would seem, when we look at this Budget. The Integrity Commission receives in this Budget a modest increase linked to resourcing required for the implementation of the Integrity Commission Amendment (Mandatory Notifications) Bill, which was passed in recent times in this place and will lead to further work for the Integrity Commission. That is being funded, but after that, there's a gradual decline over the forward Estimates, and no recognition that we were starting from a point of underfunding. We're not addressing the problem that we have all known has been there for a very long time and

continues to be there in this Budget. This is an important integrity entity for our state, and this government continues to neglect it.

Another egregious and inexplicable cut has been made to the operational funding of the Tasmanian Audit Office of apparently \$300,000. The impact of this will be, I believe, approximately halving the audit office's capacity to undertake their suite of planned performance audits. Ironically, these audits contribute to the government's ongoing efficiency and productivity on behalf of the Tasmanian community. The most recent performance audit is a case in point: the planning and early implementation of the Human Resources Information System report, which just came out this week and revealed that in fact \$47 million had been spent over four years within the Department of Health on this project initially, without any intended modules being delivered. Now that the project has moved to DPAC and is being rolled out more broadly, it is estimated to cost a total of \$119 million, up from the initial \$22 million that had been estimated at the start. Absolutely despicable, but that's why the audit office is important.

The audit office is an independent integrity entity that looks into these matters for us as a parliament and as a Tasmanian community, and provides the government with valuable independent recommendations to make improvements to the way it functions, to the way it undergoes project management, for example, like this one, and hopefully saves us money in the long run to produce more efficient and effective services through our public service. It's important and valuable work delivering on the audit functions of the statutory office. It provides assurance both to the parliament and the Tasmanian public on the performance and accountability of the Tasmanian public sector.

As has been noted by other speakers in contributions, this state Budget raises serious questions surrounding trust and community confidence in this government, and when people see the government cutting the operational funding of independent oversight entities such as the audit office, public trust and confidence will be nothing other than driven down. This funding cut must be considered an aberration, and not a trend.

Members may recall this Chamber recently passed a motion I moved calling for the Tasmanian Preventive Mechanism (TNPM) to be funded for the long-stalled recommendations made across two recent implementation reports for that office. It's therefore disappointing that instead, the government has chosen to provide an insufficient allocation of a total of \$555,000 across the 2026-27 and 2027-28 financial years, with \$400,000 of that deferred until 2027-28.

This is to give effect to the commission of inquiry recommendations, as well as relevant recommendations from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. It's clearly welcome to have some funding into this space, but woefully insufficient. Nor does it address the key functions the OPCAT treaty requires our NPM to fulfil, in order for Tasmania to be OPCAT compliant. Shamefully, we fail yet again in delivering on our human rights obligations.

Similarly, the Custodial Inspector receives a small amount in the 2026-27 year to maintain monitoring of Ashley Youth Detention Centre and give effect to two recommendations from the commission of inquiry. Let's not forget, Ashley Youth Detention Centre should have been shut by now. It should not be requiring ongoing monitoring and extra investment in that space because we should have actually given effect to the commission of inquiry recommendation of some urgency that the centre close.

Turning our attention to the Office of the Ombudsman as another of our integrity entities, it defies belief that following a brief bump upwards in 2026-27, there's a downward trajectory over the forward Estimates, below the amount which this significant oversight body received this financial year. What an extraordinary situation, and one that I consider to be utterly untenable.

These entities that I've just been speaking about are the integrity architecture for our state. They are what we rely on as a parliament, and as a Tasmanian community to ensure that good governance is occurring when it isn't, and to ensure that matters can be addressed. For the government of the day to now be habitual neglecters of this integrity architecture is utterly untenable, it's shameful, it's self-interested. It's self-interested for sure because certainly these entities do nothing but shine a light on the failures of this government. So, no wonder they'd like to keep them underfunded and below par in terms of what they can deliver; but that speaks volumes in itself. This is not an acceptable situation. It does not deliver good outcomes for the community. It doesn't deliver; it doesn't work towards our aims of a more effective and efficient public service and will be to our detriment in the long run.

As some members here will be aware, in nearly every state budget response which I've delivered in this place, I've raised the matter of the gender impact budget statement. I'm happy to give credit where credit is due, and I do acknowledge the ongoing improvement evident in the 2026-27 gender impact budget statement. It has come a long way from the initial glossy brochure collating of spending initiatives that was presented to this parliament back in 2022-23, after my motion passed this place. I thank those who have worked on this important element in our suite of annual budget documentation.

However, I'm sure no-one will be surprised that I'm also, on top of that congratulations and that acknowledgement of progress, going to be urging the government to make continued future improvements in the range of data that's collected, in the analysis that's undertaken and in the presentation of the gender impact budget statement. Importantly, the work encourages us to apply a gender lens to the budget priorities and any policy and parameter changes. We can certainly extend it out beyond particular just policy decisions in the budget, we can look at cuts, we can look at the policy and parameters things, we can look at the risks and think about how a gender lens might be beneficial to us to put over those.

It's a start, however, because we know as a real centrepiece of this Budget that we're facing these cuts to services, I think it would have been particularly important to see a gender lens put over those. There's still an opportunity to do so going forward as they play out. Where's the government's work on any expected gender distribution of the 1700 FTE positions to be slashed from the State Service, for example? We would like to know how many of those will see part-time or full-time working women out of a job. Where's the government's work analysing any potential gender impacts of their demanded operational efficiencies across the public service?

Such a gender lens-based assessment is needed to inform those decisions prior to implementation, rather than being summarised as impact captured after the fact in indicators such as worsening, neutral or improving. That's fine, it's good to measure and monitor after the fact, but a gender lens before we make or implement decisions is best practice and where we should be heading.

We can't reflect on this Budget without mentioning the contentious white elephant plan to desecrate the heritage waterfront of our state's capital city. The budget books will never be balanced and weighed in the community's interest while the stadium is on them. These budget papers spell it out in black and white. The AFL-demanded stadium is a gamble both with our financial future and Tasmanians present.

It's in black and white that Tasmanians are to lose jobs and will be inevitably losing vital services and opportunities in this Budget. Tasmanians are to lose jobs and services because we need to rein in spending apparently but not spending on the Macquarie Point stadium. We will continue gambling with the state's finances in that regard, because we need to account for current debt and future interest payments for that abomination.

We will keep the ever cash-hungry Macquarie Point stadium on the books despite current and predicted cost blowouts, gambling on the hope that sometime in the future we will get an unquantified return on those costs. The government is gambling that the current estimate of \$1.13 billion will not blow out further. What are the odds on that? Not good, I can tell you. Taking such a gamble is not a responsible budget repair measure and goes against every single other budget repair measure that could be claimed in this Budget and rubs salt in the wound of them.

On that same theme of looking ahead, many may ask where to from here with this Budget. I opened my contribution referencing the despair felt by many since the delivery of this Budget last Thursday. Much of that despair and anger in some quarters is driven by the fact earlier warnings and structural reform opportunities had gone unheeded. The community services sector, the unions, academics, stakeholders, political commentators and members of the public have been aware of the need for significant structural reform of the state's finances and have been for years.

However, the mode of any reform is as critical as its goals. Changes which hard-bake in economic inequities, social disadvantage and ecological disruption are not reform. Clearly, the principle of intergenerational equity, of not passing on ecological devastation or unmanageable debt to future generations, is significant. Equally as important is intragenerational equity, which, as emphasised by the UN Sustainable Development Unit, is about driving fairness in the here and now.

Sadly, these budget papers reveal the myopic focus of this government to perceive intergenerational equity in a purely economic sense, while abandoning other equally significant pillars of equitable social and environmental justice. There have already been calls from the community for the parliament to either seek to amend or vote against the 2026-27 Budget. However, people making those calls may not be aware of how drastic a step it is to either amend, even by \$1, or vote against a state budget under our parliamentary system.

It's hardly likely we will see any parliamentary appetite to do so, I suspect, following last year when we saw the Labor opposition huff and puff and blow their own house down. Is this devastating budget a fait accompli? We have to ask ourselves, what could real, inclusive, inter- and intragenerationally sustainable budget repair look like, and is it too late? Are we too far down this path?

To put it bluntly, it is not comprehensive or even sustainable to have budget repair claims that are reliant on cuts in isolation of any proper examination of our own-source state revenue

streams. We've heard from a range of commentators and indeed Mr Saul Eslake reiterated his views, during yesterday's briefing for members, that although the 2026-27 financial year will be hard, particularly in light of the cuts expected to be found across our health services, the subsequent years up to 2029-30 will be even worse.

Therefore, there is an imperative and, I would argue, still a window for an independent expert review of our entire financial framework inclusive of the current state revenue and taxation mix to be undertaken. Members may recall I've spoken of it here before and will put it on the record again. Members may recall that the state parliament once before did attempt to hold an inquiry into our taxation mix. This was the multi-party committee established in 2010, prompted by the public debate coming out of the global financial crisis, that we needed a more robust financial framework and an honest debate about our taxation and income base.

It's, of course, the political third rail, but at that time, in 2010, the committee was formed - a committee that consisted of the then Labor premier and treasurer Lara Giddings, the Liberal opposition treasury spokesperson Peter Gutwein, the Greens treasury spokesperson Tim Morris, and the honourable member for Murchison from this Chamber. The committee sought to assess the sustainability, fairness and efficiency of our state tax system, responding to historical reliance on volatile GST distributions and a narrow tax base - fundamental fiscal considerations, all very relevant and under scrutiny today.

However, unfortunately this significant attempt was abandoned suddenly in late 2011, after the two larger parties decided it was not in their respective political interests to engage in taxation reform. There's that third rail: an unfortunate failure to seize the moment and drive a modern fit-for-purpose taxation base delivered in a community-sensitive manner by which to shift the state's financial framework onto a more robust and sustainable footing. Who knows, if that committee had completed its work, maybe we would have been in a better place to weather the COVID pandemic storm when it arrived on us in 2020. Maybe we would have a previously agreed restructuring model we could now be updating and building upon.

The external pressures and contributing factors, the uncertain economic conditions, the income constraints, all of which motivated some recognition 16 years ago that we cannot afford to keep drifting along in this matter, remain today. As Mr Eslake states, one of the uncertain conditions which holds great sway over our economic fortunes is 'good luck', rather than good management. Specifically, good luck is required to ensure that our current revenue sources from the Commonwealth materialise at the level on which this 2026-27 Budget is predicated. This Budget projected revenue increase from \$10.191 billion in 2026-27 to \$11.603 billion in 2029-30 - down to increased payments from the Commonwealth for health and GST share, and some higher revenue from current payments. Without those projected revenue streams delivering as projected, the state's forecast surplus is on very shaky grounds, a precarious situation which does not inspire confidence in the now or into the future.

It's utterly irresponsible to continue to refuse to assess our current revenue levers over which we do have some control. That is why I'm calling once again for an independent parliamentary-commissioned mechanism by which we can review and reset our state's revenue and savings space. Let me be clear, before we see perhaps any gaslighting assertions that I'm calling for new or higher taxes, that is not what I'm saying in simplicity.

It's nonsense to say we're balancing the books when certain chapters of those books remain exempt from consideration or review. We need to know whether we're pulling the right

levers to deliver a modern, fit-for-purpose financial framework with the capacity to support a compassionate and sustainable community, now and into the future. Is the current taxation and revenue mix the right mix? For example, are the current approximately \$300 million in payroll tax exemptions delivering on their intended policy outcomes? How is the contribution of income and dividends from the state's government business enterprises and companies best utilised and targeted? Such a review of these matters should involve stakeholder public consultation and input. It should have the capacity to provide options which drive meaningful structural reform of those elements of our fiscal framework which the state can control or influence. Importantly, it should also provide the scope for the community to have their say on their priorities, values and what they want to see as the Tasmania of our future.

Such a proposal may or may not arrive at radical suggestions for change, and that revenue reform will make a minimal contribution to overall structural reform. But at least we would know. We don't know what it would come out with, but certainly, if it's done right, it should come out with some options for us to consider and a better understanding of what we can expect those options to deliver.

As the Fiscal Sustainability Report 2026 released earlier this year informed us:

Budget repair can be achieved through actions such as increasing revenue, and reducing capital and operating expenditure, as well as efficiencies in service delivery and productivity improvements.

No single action will be sufficient on its own, and all measures are needed to return the State to a sustainable pathway.

Holding an independent state taxation review of some sort would be consistent with the Fiscal Sustainability Report 2026 findings. I reiterate, all measures are needed to return the state to a sustainable pathway. At some point, we have to grapple with the third rail here. We actually have to pull all the levers we have available and do so in a dispassionate and informed manner, certainly not a politically self-interested manner.

Before I leave this matter, it's worth noting how the 2026 budget papers reflect policy and parameter assessment of the state's current revenue sources. Budget paper 1, chapter 6, page 147 describes the following as a positive outlook across the 2026-27 Budget:

Payroll tax forecasts reflect historical growth rates, supported by growth in the labour market. Land tax forecasts reflect historical growth rates. Insurance duty forecasts reflect national trends, attributable to historical inflation rates, with growth across the Forward Estimates resulting from increased natural disaster costs due to extreme weather events such as flooding and fires.

There are those extreme weather events and, my goodness, apparently they're a positive income-raising measure for the state as they increase insurance duties. Basically, the state profits from the community being affected by floods and fires. The budget papers may merely be reflecting the fiscal reality; however, maybe this is an area that an independent taxation and revenue review could assess to check whether that is a lever being pulled in the right direction or not or how else we might mitigate that reality.

The budget papers also see increases in revenue elsewhere which are conveniently referred to as 'increased fees and charges' rather than taxes. For example, the government is now expecting to raise \$3 million per year via Service Tasmania fees. Who will be mainly affected by these fees? On what basis will they be ascribed? As others here have also stated, this smacks of Tasmanians being taxed on the sly when they're seeking assistance from their government or participating in regulatory services and proceedings. Where is the equity lens to assess the fairness of this particular revenue-raising effort? How will it be demonstrated that this will be well targeted? Why have we chosen this particular measure above others available to us? I'm not saying it's wrong and we shouldn't do it; I'm saying we don't know enough about it. We haven't seen it presented to us in an evidence-based, clearly modelled way and we don't know that it's the best and right way forward here.

Again, something that could be subject to a holistic comprehensive review of all state revenue levers would be to test social equity considerations and whether they're progressive or regressive, or risk perverse policy outcomes, for example. In fact, according to budget paper 1, chapter 3, the government intends to undertake a whole-of-government fees and charges review. Why only review that one component of the revenue base which the state can influence? It would make more sense to have a comprehensive and independent taxation review broadly, which would include state fees and charges as I've outlined.

To reiterate, although the 2026-27 Budget appears grim under these budget papers, the following two years after that will be bleaker and harsher. We need to use the time between now and then wisely. The responsible course of action is to act now. It's not too late for the parliament potentially to commission an independent expert review which could and should inform real, sustainable budget repair, where it could have a full set of numbers which are believable, where we can see the projected outcomes and have confidence in whether they will be delivered and, equally importantly, test whether those outcomes are desirable in the form that they've been presented. Findings of such a review should also feed into and inform the 2027-28 Budget and forward Estimates revenue, savings and expenditure priorities. It may even be able to tell us where the mythical target of state revenue contributing 37 per cent of the overall state budget came from and what it was based upon and whether it could, in fact, be more aspirational. Further, it may help define in a transparent manner exactly what the 'right-sized' State Service is when it comes to meeting the needs of the community and also fulfilling the state's statutory obligations.

As the fiscal strategy detailed in budget paper 1 states on page 59, the first new measure that differentiates this fiscal strategy from the previous one is linking the State Service employee costs to revenue. Apparently, this new measure will provide a 'more meaningful and sustainable assessment of the number of employees the State can support over time'. This new measure specifically linking our State Service size to revenue presents in itself the argument for a comprehensive review of our revenue and income base. It is nonsense to talk about a 'right-sized' State Service solely within the context of cuts and in isolation of any integrated comprehensive analysis of community need, statutory obligations and revenue.

As mentioned earlier, much of the deterioration of the state's finances, as identified by Mr Saul Eslake, is reliant upon federal grant money's current and projected - a hefty dose of good luck rather than good management. What happens should that good luck begin to run out? Should the federal GST pool shrink, for example, or the no worse off guarantee expire in 2030, what then? I predict we will inevitably see new taxes or privatisation processes entered into,

but in a highly politicised, pressure-cooker desperation context, rather than a considered, transparent holistic approach.

Some cynics may actually think that the cuts that we're seeing in this Budget, without details or delivery plans and implemented at such a breakneck downwards trajectory, are part of a deliberate and cunning plan to position for future ideologically driven state taxes or to pressure the Commonwealth to keep our good luck tap running. Maybe, Mr President.

Just like old Mother Hubbard, the Treasurer, Mr Abetz, has gone to the cupboard to discover it's bare. The cupboard has been in the care of Mr Abetz's colleagues for the last 12 years and 13 state budgets. The fact that the cupboard is bare is an indictment on this Liberal government and only this Liberal government. An indictment on its blind refusal to heed lessons that should have been learned. Lessons delivered time and time again from credible, independent experts, from experienced people in this place, from its own Treasury. It's an indictment on this government's intransigence to heed warnings against ill-advised, ideologically driven expenditure such as the gratuitous Macquarie Point stadium, the costs of which have ballooned from the original estimate out to \$1.13 billion, and inevitably climbing much, much higher. If those earlier opportunities had been seized and warnings heeded, a more inclusive and gentler road for our state to fiscal sustainability and reform could have been well progressed by now. You cannot care for the community with a bare cupboard and Tasmanians deserve more. Far more.

Which begs the question, why should Tasmanians trust those who depleted the cupboard to actually deliver on replenishing it? There is nothing in this government's record to support such trust - quite the opposite, in fact. When we look at this Budget we must be clear-eyed in assessing its merits. We need to not be bullied by rhetoric of the so-called 'right-sized' State Service, decreed in isolation to fit a convenient narrative. We also need to demand an equal focus on determining the right revenue and savings mix, the right workforce mix to deliver the right community services to our Tasmanian community, and that these debates are informed by the right consultation processes and be evidence-based rather than ideologically driven.

In closing, in this Budget, all Tasmanians are paying for the Liberal government's politically self-interested indulgences and now habitual mismanagement. Tasmanians deserve so much more and now face a frankly horrifying impact on services and support that we know will hit the most vulnerable the hardest.

So, it is with immense reservations that I note the 2026-27 state Budget.

[3.19 p.m.]

Ms O'CONNOR - Mr President, I seek the leave of the Council to table the Tasmanian Greens' alternative budget, which was presented by our leader, Dr Woodruff, in the House of Assembly today.

Leave granted; paper tabled.

Mr President, I acknowledge that we gather here today in the Council on the land of the Muwinina people, a Palawa people who did not survive colonisation and invasion. I acknowledge it's Reconciliation Week, and that the Palawa people's struggle for truth, treaty, justice and the return of lands continues. I share the sorrow of many who listened to the Treasurer's speech and heard no mention of truth, treaty, justice, the return of lands and what

was, I believe, a strong commitment from the Tasmanian government only in recent years to move towards treaty, to establish a truth-telling commission, to have a meaningful dialogue about the return of lands and the protection of Aboriginal heritage. Yet, sadly, this is where we are.

Like everyone in this Chamber today, I did listen to the Treasurer's budget speech. It was a highly disappointing speech, but it was also delusional: delusional about what can be achieved by cutting the guts out of the State Service and delusional about what the challenges of the future are, a pretence that we can't see what those challenges will be. It has been commented on by other honourable members, but the Treasurer stated very early in his budget speech, 'As the Good Book reminds us - there is a season for most things.' Now, I was disappointed, because that's not what the Good Book says. Ecclesiastes 3 says:

There is a time for everything, and a season for every activity under the heavens.

In fact, it's one of the most beautiful passages in the Bible, and I say this as a perpetually lapsing Catholic. It has these lovely words in it, codes for living:

There is a time to be born and a time to die,
a time to plant and a time to uproot,
a time to kill and a time to heal,
a time to tear down and a time to build.

On it goes. But it was interesting that the Treasurer reworked a little bit of the Good Book in such a way, because this was a season for everything. The Treasurer and this government had the permission, if you like, of Treasury, of experts like Saul Eslake, of a broad collective across politics, to examine everything that would be needed to bring the budget back into balance and to make sure that it is focused on looking after this beautiful island and its people. But instead of the Treasurer doing all the things that he needed to do to have a truly balanced approach to budgeting, on Treasury's advice to rein in unnecessary infrastructure spending, to rein in operational expenditure and to examine revenue-raising measures, all we got in this Budget, of everything that the Treasurer could have looked at in this perfect time to be brave, was an offer of absolutely savage cuts to the public service. They are savage; it's about \$1.5 billion in cuts across the four years.

It will impact on the lives of every Tasmanian and for generations. The choices within this Budget will harm people. I don't think it is an exaggeration to say people will die as a result of the choices that have been made in this Budget to underfund public services, to not go to the revenue side of the equation and to pour who knows how many billions it will end up being into that black, money-sucking hole down at Macquarie Point.

So, the Treasurer's peculiar speech said a number of things. He said, 'none of us knows from where the next challenge will emerge'. We can't be certain of where all the challenges will emerge, but Treasury's own risk assessment within the Budget certainly pointed us to a number of challenges, including Donald Trump's illegal war in the Middle East, and ongoing question marks over supplies of fuel, for example. What the Budget doesn't detail the risk of, of course, is the biggest challenge facing us all, and that is global heating, the rate of which has doubled since the year 2015. It is inaccurate for the Treasurer to imply that we don't know what some of the next big challenges would be, but he does remind us, he says, to be prepared. Well,

we're not. This Budget cuts the Climate Change Office. There's a huge question mark over the Climate Change Office itself. It cuts funding to emergency services over the four years by around \$72 million at a time when we know that the risk of increased bushfires and bushfire intensity, sea level rise and storm surge, for example, is only intensifying.

He talks about a clear, certain and determined commitment to futureproof our state - bollocks. There is nothing in this Budget that is about futureproofing the state, in our view. He says we're doing this without increasing taxes and that goes to the gutlessness of not taking on the big end of town. I will step through the Greens' alternative budget shortly. He asks us, in fact the Treasurer implored us, to look beyond the immediate and the self and to look to the future. Well, what are we being offered for the future in this Budget? Four years of austerity; a complete lack of vision for this island beyond the Macquarie Point stadium; a total underinvestment in community safety and resilience at a time when we need to be markedly, substantially increasing our investment, for example, in community connections and adaptation.

We've been told a number of times, we were told by the Premier in his state of the state address, and we're seeing the evidence of it in this Budget with \$8 million allocated towards the AI accelerator program. We are being told that this government is fully embracing artificial intelligence. The register that was promised has not yet appeared. The guardrails that are occasionally talked about, we can't see them. Yet, we know, and it was confirmed by the minister, Mr Vincent, in the answer to a question that I asked him here the other day, that the assistant secretary in Premier and Cabinet, Mat Healey, is engaging across agencies on how artificial intelligence might be used by those agencies. Well, what we know is if you have a budget which has at its foundation cuts of around 1700 to 1800 full-time equivalent jobs, you will have a government that is sorely tempted and must feel compelled to replace those jobs with artificial intelligence. The question remains: how do you protect the public interest in those circumstances? What sort of guardrails can you feasibly put in place, and where does the accountability lie?

As I've just reminded everyone, I was educated in some part in the Catholic system, and have been practising and lapsing all my life, but I do encourage anyone who hasn't read Pope Leo XIV's encyclical, *Magnifica Humanitas: On Safeguarding the Human Person in the Time of Artificial Intelligence*. I highly recommend honourable members read this. It is a profound, intellectual, deeply researched, empathetic encyclical. I just wanted to read a couple of his warnings to us, and clause 5 is very relevant to all of us in here. Within 4, he says:

... we find ourselves facing a new situation. The power and prevalence of emerging technologies are interwoven into the fabric of daily life, shaping decision-making processes and deeply affecting the collective imagination: 'Never has humanity had such power over itself.' New technologies open up a horizon extending in directions that are imaginable but not yet fully predictable. This complicates the assessment of their potential impact and the long-term effects they may have on both the dignity of individuals and the common good.

5. It now falls to us to face the challenges of our time with clarity of thought and responsibility. It is necessary to establish adequate regulatory tools capable of upholding justice and curbing the distorting effects of technological power. Nevertheless, the issue is not limited to regulation. As

Pope Francis warned, we must realistically ask ourselves who holds this power today and how they use it: 'It must also be recognized that nuclear energy, biotechnology, information technology, knowledge of our own DNA, and many other abilities which we have acquired ... have given those with the knowledge, and especially the economic resources to use them, an impressive dominance over the whole of humanity and the entire world.' In the past, it was largely up to the State to guide and direct innovation. Today, however, the main drivers of development are private, often transnational, parties that are endowed with resources and the capacity to intervene that surpass those of many Governments.

Technological power thus takes on an unprecedented, predominantly "private" aspect, which makes it even more challenging to discern, govern and direct such power toward the common good.

He goes on to talk about the fundamental:

... those who control digital platforms and means of communication have a considerable ability to affect the collective imagination and to present a particular vision of reality as desirable.

...

Our first task is neither to demonize nor idolize technological tools, but to utilize them on the basis of a fundamental principle, namely that truth is a common good and not the property of those with power or influence. We must therefore promote an ecology of communication. On the level of public policy, this entails establishing norms so that the decision-making behind content selection and its development becomes more transparent and protects personal data. Regarding social and cultural aspects, this requires a strengthening of intermediary organizations, serious journalism and forums for debate, where reasoned argumentation and verification carry greater weight than immediate reaction. For families and schools, there's a growing need for new educational awareness and for formation concerning the proper and critical use of digital tools, AI and online commercial and financial platforms. In universities, the principal challenge lies in the integration of knowledge, cultivating both the capacity to connect and synthesize knowledge in order to grasp complexity and the skills necessary to verify facts.

Obviously, we're at a state in human development when we have these mighty tools and all their potential available to us. Of course, it is tempting for governments, in times such as we are, to barrel head-first into embracing this technology without perhaps fully considering the benefits and the costs and fully exploring where the public interest and the common good lie. On behalf of the Greens, I would encourage the Premier, the Treasurer and minister Ogilvie, for example, to tread with caution; this is a very powerful technology obviously. But - and this is in the risks report - it has enormous power to displace human labour, it has enormous power to throw people onto the economic scrap heap. It is one thing for government to head down this path, but there has to be a plan in place for people who will be displaced by this technology and also young people who are doing everything we asked of them, going out, learning a skill,

going to university, and then they are entering a labour market where there's huge uncertainty over their employability. We're not going to be immune from this down here. Obviously, this is something that we'll be exploring in budget Estimates.

It's a very big question mark over this government's cost cutting agenda, because I suspect that the capacity within those 1700 to 1800 jobs that will be cast aside by this government, it will seek to fill with artificial intelligence. Then there is a question mark, of course, over how widespread the use is, what guardrails there are, what safeguards there are and where the accountability is.

I was thinking yesterday, when we had our morning meeting in the Greens and we were talking about Jeremy Rockliff, what will his legacy be? If you just look at this Budget, Jeremy Rockliff's legacy will be profound harm, particularly to some of our most vulnerable people. I'm reminded of that Percy Bysshe Shelley poem *Ozymandias* - 'Look on my works, ye Mighty, and despair!' - when I think about what will be down there at Macquarie Point, should this government, for the first time in its existence, manage to pull off a major infrastructure project without cocking it up. That would be emblematic of his legacy. I think that Jeremy Rockliff right now, if you asked him, would be pleased to say 'I will be very proud of the Macquarie Point stadium once it's built'. He would be pleased to have that as his legacy. But the human cost of that choice - on the one hand you've got \$1.5 billion worth of cuts across the forward Estimates and on the other, you've got about \$1.2 billion and counting that this government wants to put into the money sucking black hole down at Macquarie Point.

There's a very realistic risk that Jeremy Rockliff's legacy will be a Tasmania that is sicker, poorer, has more housing insecurity, and is less equipped for the world than it was when he became premier. Fundamentally, that is because of his weak, supine leadership where he rolls over to the AFL when they say they want a stadium and says 'yes, how big and where?'. Rolls over to the salmon farming industry when they say they want to expand - yes, he says, absolutely. Rolls over to the gambling industry after the expiry of the deed where under his government's policies we are now having forever pokies in Tasmania - no-expiry pokies in most pubs and clubs across the island now. That's on Jeremy Rockliff.

Ms Webb - To correct, we do have expiry because I got that. That's one thing I got through in this place, member for Hobart.

Ms O'CONNOR - Even though they have rolling contracts for all the pubs and clubs?

Ms Webb - No, they all come to a close the same date because of an amendment we made in this place. Thank goodness we have an opportunity.

Ms O'CONNOR - Thank you for reminding me. Thank goodness for the Legislative Council, again.

Ms Webb - It was a 20-year-out opportunity but there will be an opportunity.

Ms O'CONNOR - Thank goodness for that. That's really something.

I don't know if anyone has seen the shorts on the ABC, but we are about to become the laughing stock of the country with an ABC program - a six-part series - called *Ground Up*. Has anyone seen the clips? I don't know, but it's all about the Macquarie Point stadium, all the sort

of grubby politics around it, the AFL striding into town and calling the shots. Isn't it a shame that we are receiving national attention because of a stadium that most Tasmanians don't want, and know without a doubt that we can't afford? The laughing stock of the nation.

So, I will now go to an alternative vision for Tasmania. We regard the Liberals' Budget as callous; it's lazy, too, and a little bit gutless. So, we are proud to say we've followed the advice of experts to deliver a genuine alternative, as we do each year: a fully costed alternative budget. What made the process less politically and policy creative this year was a very clear picture of the state's finances and the fact that none of us felt that we could advocate particularly for any more spending. It was really about trying to save the ship from sinking. So, we've chosen a path that will bring down the state's debt without resorting to brutal cuts to essential services.

Our plan invests \$702 million more into Health. With a significant increase in federal health funding, Tasmanians now have a generational opportunity to finally start turning the health crisis around. Isn't it a cruel irony that on the one hand the Commonwealth gave us \$700 million towards our health system, and then on the other hand, the state is cutting \$700 million out of our health system? We show how it's possible to spend \$228 million more on Education, Children and Young People; with low numeracy, literacy and retention rates in schools, and with so much that still needs to be done to respond to the commission of inquiry, this investment is critical.

We spend \$72 million more, that is, simply reversing the cuts, on Police, Fire and Emergency Management and other critical investment in the safety of our communities, our infrastructure, and our ecological systems as we face more extreme weather events.

We reversed the cuts of \$66 million to Justice, which see cuts to the Supreme Court, which already has an enormous backlog, and cuts to Legal Aid, and which will have the effect of denying justice to Tasmanians. The cuts to the justice system are shocking, shameful. Of course, justice delayed is justice denied.

We spend \$56 million more on environmental protection. Protection and restoration of landscapes, waterways, wildlife and wilderness has to be front and centre to the work of government, particularly to a Tasmanian government which has an enormous responsibility to an island which is almost unarguably the most beautiful island in the world. So, right across the government, we'd reverse the Liberals' cuts and keep investing in the services and functions our community relies on, resulting in better outcomes for all Tasmanians. This is where we've found savings.

In addition to stopping the Macquarie Point stadium, the key measures we've identified to balance the budget include: delivering \$210 million in new revenue through taxing pokies profits and restoring casino tax rates; saving \$48 million by ending native forest logging; bringing in another \$35 million through a vacant property levy, similar to what they have in Victoria; making the salmon industry finally pay their fair share by introducing royalty payments, benefiting the budget by around \$434 million over four years, remembering that these salmon companies are multi-billion-dollar corporations now. We're not talking about little Tasmanian companies anymore.

We save over \$150 million by scrapping taxpayer funding for the racing industry - and we would, absolutely, and I'm quite happy to declare it, defund Tasracing. I just wanted to draw

members' attention to the work of the joint standing committee because I know there was a question in this place yesterday. At the top of the Joint Standing Committee on Greyhound Racing Transition page on the parliament's website is our new work plan and it says:

On 25 May 2026 the Committee resolved to pursue the following workplan over the coming months in line with its Terms of Reference:

- (1) An examination of other jurisdictions, including any parliamentary or statutory inquiries, decisions to phase out the industry, transition frameworks implemented, animal welfare issues, support for participants, compensation arrangements, timelines followed and social and economic impacts;
- (2) Financial, economic and animal welfare impacts of the proposed phase out of greyhound racing in Tasmania; -

I hope that that particular provision there would provide an opportunity to answer some of the questions that were asked in this place.

- (3) the future of the Tasmanian racing Deed.

I did just want to reassure honourable members that the joint standing committee remains hard at work.

We would levy windfall gains on property rezoning to raise \$173 million. We'd save close to \$300 million by not proceeding with Marinus Link, and we'd make mining companies pay national average rates, earning us around \$63 million.

We would end a range of other spending we regard as wasteful, including the Launceston Convention Centre, marketing costs, the AI accelerator program and the Office of the Coordinator-General, to put more money back into looking after the people of Tasmania in this beautiful place.

We don't subscribe to the view that government should be small and be hands-off, and I think that's what we're seeing a fair bit of from this government. The government has a critical role to play in enabling its citizens to live a good life, and that's really what worries us very deeply about this Budget: the impact it will have on the capacity of the people we represent to live a good life and to have all their needs met and to know that, for example, when they ring an ambulance for themselves or someone they love, it will come in a timely manner.

Just briefly on our fiscal strategy: we deliver a fiscal surplus of \$66 million by 2027-28, reaching \$621 million by 2029-30, with peak general government sector debt reached in 2028-29 at \$9.6 billion: really dizzying numbers. We achieved this by reducing unnecessary infrastructure spending, responsible management of operational expenditure and raising additional revenue. Our fiscal strategy is consistent with the Department of Treasury and Finance's *Tasmanian Government Fiscal Sustainability Report 2026*, which found that spreading budget repair across lower operating expenditure, higher state taxation and lower infrastructure expenditure delivers stronger economic outcomes than reducing operating expenditure alone.

By making big corporations pay their fair share, bringing mining royalties into line with the national average - we're 40 per cent below the national average in the mining royalties we charged to companies to take our wealth away - and taxing windfalls for property development, we've added almost \$1 billion in additional revenue to the public account. We've achieved these fiscal metrics without cuts to the public service or a reduction in the public sector workforce. Our alternative budget restores the Rockliff government's \$1.5 billion cut to essential public services. By stopping the Macquarie Point stadium, we've achieved overall operational savings, capital savings and a reduction in public non-financial sector net debt, thereby improving the debt position of the total state sector.

Like a number of honourable members across both Houses here, the Greens very, very much look forward to budget Estimates, which is the most important opportunity you have in a whole year to drill into the government's spending priorities and what sort of policies lie underneath those priorities, and I do look forward to next week very much.

I want to follow-up on the member for Nelson's excellent and rigorous contribution. It has to be by design for government to cut the Audit Office, starve the Ombudsman of funding, and give scraps to the Integrity Commission when you've loaded them up with more work. It is by design.

Ms Forrest - That's why PAC is so busy.

Ms O'CONNOR - That's why PAC should be expanded, but that's a debate for another day.

Ms Forrest - PAC should be - I thought you said 'disbanded', I thought -

Ms O'CONNOR - Expanded.

It tells us a fair bit. The Auditor-General - going back a long way - is very direct and clear in his assessments of governance and how public funds are being expended - very precise, lays out the facts -

Ms Forrest - And has his budget cut -

Ms O'CONNOR - And has his budget cut.

Ms Forrest - despite the agreement.

Ms O'CONNOR - Well, it's actually shocking because if it's not deliberate, then the Treasurer can reassure us of that next week, but it sure feels deliberate.

I'll close with this: what's been quite hard to take when you look at the State Budget, and other members may feel like this, too, is the absence of hope. It's a really dark document. I know it's a set of numbers and bottom lines, but in here, we all know what those numbers reflect and the numbers in this Budget, particularly after this year and the next couple of years after that, will hurt our people. I don't think what is coming has really permeated into the community yet. The cuts to services will be real and they'll really start to bite in about a year. The cuts to jobs place it at, I think, a significant risk of an economic downturn on top of where we are now. A budget that is so absent of hope and vision. The Tasmanian people deserve, as the member for Nelson said, so much better.

It's hard being negative on this Budget. It's hard standing up here and just being negative, but we are here because of 12 years of deliberate decisions that particularly were amplified when Peter Gutwein became both premier and treasurer and couldn't argue himself out of making rash and profligate spending decisions. We are here because coming out of the 2018 election, there were \$400 million worth of election promises and they didn't learn their lesson then. They came back in, in 2021, with more hundreds of millions of dollars.

Ms Forrest - They did it again. Same thing.

Ms O'CONNOR - It's shocking and it's not their money. I'm sure most of them have private health insurance, so they don't have to worry. It is a budget that is absent of hope and that is a challenge for us all. We are going to have to live with the consequences of this on our constituents. I think I've said this before, we've set up a community pantry in the New Town office; it has sure increased foot traffic. There are so many desperate people out there now who are coming in for a bag of rice. That is only going to get worse.

It is our job in here, of course, to quiz the government about its choices, but we are here because of choice after choice after choice that shafted the Tasmanian people. It's 12 years of it, this massive black hole that the Liberals have dug. Who's going to pay the price, who's going to fill that hole? The Tasmanian people. It's shameful. Anyway, with a very, very heavy heart, I note the 2026-27 Budget and I commend my colleagues in this place to look at our alternative budget. If you wanted to see what a government that puts the public interest over the corporate interest would do, have a look at the Tasmanian Greens' alternative budget.

[3.56 p.m.]

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Mr President, before I commence my offering to the contributions that have been made by members, I'd just like to acknowledge in your reserve, Mr President, the father of Jake Stebbings, who is part of the Leader's support team and I'm not sure why he'd feel like today would be a good day to come and listen, but it's been interesting. Welcome to Jake's dad.

I don't intend to speak for very long and given it's close to the 4.00 p.m. break, I won't be speaking for very long before I have to adjourn and come back. On behalf of the government, I sincerely want to place on the record my thanks to the members for their contributions. The contribution from the member for Hobart was extremely heartfelt and that's for every member who stands in this place and provides a contribution in what we have all agreed is a very challenging time. A sincere thankyou to each and every one of you.

From members' insights both in support of the Budget and indeed in the criticism of it, I also would like to acknowledge the tabling of an alternative budget. I said to the member at an earlier time, 'Is there something that the government might be able to take out of that?' She said they always do, so there you are. I believe that there is an opportunity and -

Ms O'Connor - Oh, yes, you watch next year's Budget. There will be something out of the Greens' kooky alternative budget.

Ms RATTRAY - There could well be an opportunity.

Ms O'Connor - That's what Peter Gutwein called it every year, 'kooky as it is'.

Ms RATTRAY - I never said that.

Ms O'Connor - No, it was downstairs.

Ms RATTRAY - Thank you. I haven't read the alternative budget, but just listening to the member, but again - and that is no expectation on our Labor colleagues in this place, absolutely none at all. I just wanted to acknowledge that that was part of what was presented through the contributions to the budget speech.

As I listened to members' contributions, I made myriad notes and was perhaps somewhat naively expecting that perhaps I'd have an answer for a lot of those questions. I was genuinely impressed by the range of perspectives offered. The scrutiny already applied in the short time that we've had the budget papers and to receive them on a Thursday afternoon - and as we know, members have travel, they have commitments - and it always amazes me how well members do in providing a really significant contribution to the budget papers before we've had an opportunity to go through the budget Estimates scrutiny process, to do that.

We've certainly heard of thoughtful analysis and, I expect, again, there'll be a lot more opportunity for that next week. Each member brings different experiences, backgrounds and the unique perspective of our electorates to this debate. That diversity strengthens the work of this Chamber, and I mean that sincerely. I mean, I really enjoy hearing what's happening in other members' electorates. That's why this -

Sitting suspended from 4.00 p.m. to 4.30 p.m.

MOTION

Budget Papers and Appropriation Bills (No. 1 and No. 2) 2026 - Noting

Resumed from above.

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Mr President, before the afternoon break I was talking about the contributions that members made to the Budget for the 2026-27 financial year. As I said in my opening contribution, our task with any budget is to assess it on its merits, what it delivers, what it falls short on and what it means for the communities that we represent. There were many reoccurring themes and understandably so.

We are operating in a challenging economic environment. Households are under pressure from rising costs, communities continue to face significant challenges and the broader economic uncertainty remains.

We know this Budget contains a mix of measures, some that will provide tangible support to communities and others that warrant ongoing scrutiny, whether in health care, housing or community support. There are investments that will be welcomed locally and we talked about a number of those as we made our contributions as we sit in this place to represent our communities and then stand here.

A number of questions were raised throughout the debate and the additional information and answers that I am able to provide will, I hope, address some of the matters that have been raised. It's not good to through every member one at a time and I think some of the answers will relate to more than one member's contributions.

The member for Montgomery and others talked about education, operational efficiencies, real people doing real jobs, and whether educational outcomes are better with more people or less. I acknowledge the minister and her team have been pretty good at getting back some responses today. Obviously, when the answers are able to be provided depends upon when members asked the question. The response that the government has provided is that the government's investment in the Education portfolio alone has increased by 76 per cent since 2014; however, it's known that more money doesn't always mean better outcomes. The focus must shift from the level of investment to how effectively it is used to deliver real outcomes.

The reshaping of the Department for Education, Children and Young People to ensure that it is fit for the future and looking at how government can improve the structure and systems to be more efficient, financially sustainable and responsive to the needs of children and young people marks the next step in the department's evolution as a single, integrated agency for children and young people. I asked a question about the Deloraine High School \$16 million development and talked about the priority lists, so the 2026-27 Budget includes forward funding towards the \$16.5 million redevelopment commitment for Deloraine High School, as part of the \$188 million School Building Blitz program. I understand this program is currently in the project initiation and planning phase, and the intention is for the construction to commence in 2028.

In regard to the Scottsdale High School agriculture commitment query, this was addressed by minister Palmer in her budget reply speech, so again, thank you, minister, for that detail around the funding and how that is going to be expended as forward planning goes.

The question around the feral deer problem, and I know that other members commented on that as well: the 2026-27 Budget includes additional funding of \$840,000 for the peri-urban deer program, and this is in addition to the \$750,000, part of the \$2.25 million program over three years for the delivery of the Tasmanian Wild Fallow Deer Management Plan 2022-2027, and the implementation strategy. I understand that earlier this month the government also announced \$30,000 over two years to support the Sporting Shooters' Association of Australia's Farmer Assist program that matches recreational hunters with landholders and the Tasmanian -

Ms O'Connor - Through you, Mr President: for farmers, that is just tinkering around the edges of their costs, which I'm sure you know, honourable member.

Ms RATTRAY - I know how expensive ammunition and the like is. I am aware of that, but I expect that any support is better than no support when it comes to feral deer. The Tasmanian government has been out for consultation on the 2025 deer management policy review and the commercial use of wild-shot deer, and are progressing access to additional public land for recreational hunters. The latest survey results on wild fallow deer numbers show there is more to be done in the management of deer in Tasmania, and again acknowledging the honourable member for Hobart has some knowledge and understanding of that, but taking steps to simplify processes, provide access for recreational hunters, continue to eradicate deer in peri-urban areas and put downward pressure on deer across Tasmania. I indicated to the government that there's a very good report from a select committee of this House, and it would be useful to

go back and revisit that. I trust that this is part of what is happening when it comes to addressing that very serious problem I talked about in my contribution, the increase in RACT data on crashes relating to the feral deer.

The east coast rock lobster relocation program is always of interest, I think, to all members. The translocation program moves sublegal lobsters from abundant south-west stocks to the east coast to support the rebuild of the east coast stock. The program has been running since 2015-16, with combined government and industry funding, which is good to see, everybody pitching in. The Tasmanian government-funded east coast translocation program will continue under an existing budget commitment, with \$350,000 allocated over two years to support the ongoing rebuild of this stock. So, it will be interesting to see what data comes out of that. I will be watching, I will be looking and it might be something that one of the Estimates committees can also ask for some data on, if they're looking for a question on that, because \$350,000 over two years is not small fry. That's quite a reasonable amount of money, when we know how challenging the budget situation is.

They are just a few answers, and I do have a couple more that I want to add that I've requested quickly over the break. If I could have managed to get in touch with every department, or my team at least, then we might well have had some more; certainly, in listening I've been able to ascertain some answers but, as I said, by no means address all the questions that have been presented during the contributions.

One particular answer that I did request, and I want to thank the minister for coming up to the House and acknowledging that this is an important matter that was raised by two members of the House, was in regard to the pathway to truth-telling and treaty. I have a few comments to make on that and, again, this will be a matter to be progressed further through the Estimates scrutiny process. The government understands the significance of truth-telling and treaty to Tasmanian Aboriginal people. In line with the advice received from the Aboriginal Advisory Group, the government remains committed to embarking on a truth-telling and healing journey for the whole Tasmanian community. This will assist in progressing other Closing the Gap outcomes and forms part of the government's broader commitment to Closing the Gap and to improve the lives of Tasmanian Aboriginal people. Truth-telling is a necessary step which must run its course before any formalised agreements. While the government understands the importance and significance of treaty to Tasmanian Aboriginal people, it's certainly on the radar.

Ms Webb - Through you, Mr President: funding drops off, though, for Closing the Gap over the forward Estimates, drops right away: \$2.8 million down to \$1.8 million over the forward Estimates.

Ms RATTRAY - Again, it is something that I know the honourable member will follow up with in the Estimates process. I did my best to find something and, as I said, I acknowledge that the minister came up to this House with something. That shows the importance to the minister.

I will sum up by saying that this Budget reflects a set of priorities or referred to as choices. While there are areas of positive investment, there are also areas where, clearly, other members, from what we've heard, will continue to seek further detail, greater clarity and pursue stronger outcomes for their communities.

In saying that, I do have a response in regard to a commitment in the previous budget that had been made for a SkyBus between Launceston and the airport. In the meantime, a private operator had purchased a bus service to fulfil that need. The questions asked: has an arrangement been made with the new service operator? What is the current state of the previous budget commitments? Will the SkyBus service be free? Will there be compensation to the new group who invested in the bus service?

The response is as follows: the Tasmanian government committed to a trial of a SkyBus service in Launceston, offering regular city-to-airport runs. Funding for this trial is in the Budget. The service isn't part of the public transport network and won't be free. It is a trial to measure if there is market demand for a regular shuttle service to be commercially viable in the long term. It might pay to contact the operator that's already doing it. There is no commitment for ongoing subsidies for such a service beyond the trial. Other operators operate on a different business model to the SkyBus model. That's going some way to giving the honourable member some information that, again, will be -

Ms Armitage - I can ask further questions in Estimates. Thank you, Leader.

Ms RATTRAY - I absolutely know that the honourable member will do that. Again, as I've said, I acknowledge that there are answers to questions from honourable members that remain outstanding. I am well aware that the fulsome Estimates scrutiny process by the committee of this House will delve into those. I put those words in myself because I am well aware of the work that is undertaken by members of this House through that scrutiny process. They even get through all the line items, which is quite unheard of, I understand, in the other place. I'm heading down for a couple of days next week and I look forward to sitting in and watching my colleagues do the work that I know they do so well.

I respect the role of all members in ensuring that the voices of our constituents are heard, their concerns are raised and their interests are represented in this place. Again, my sincere thanks to all members and I particularly look forward to the opportunity to see what comes out of the Estimates scrutiny process next week, which I know - four days, and long days - is a lot of work. Just doing their homework is a lot of work. It means that often your weekends are completely taken away for a couple of weekends. One, reading the budget and then going back and looking at the output groups that you've perhaps been assigned to. Thank you, Mr President, and I again thank honourable members.

Motion agreed to.

MOTION

Budget Papers and Appropriation Bills (No. 1 and 2) 2026 - Referral to Estimates Committees

[4.46 p.m.]

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Mr President, I move -

That Budget Papers and Appropriation Bills (No 1 and 2) 2026 be referred to Estimates Committees A and B of this Council.

Motion agreed to.

**EDUCATION AND CARE SERVICES NATIONAL LAW (APPLICATION)
AMENDMENT BILL 2026 (No. 7)**

Second Reading

[4.47 p.m.]

Ms PALMER (Rosevears - Minister for Education) - Mr President, I move -

That the bill be read the second time.

I bring to the House today a bill that will allow us to make a minor amendment to the *Education and Care Services National Law (Application) Act 2011* to ensure the full breadth of that law can be applied in Tasmania.

Over the past 12 months, a significant amount of work has been underway to implement greater child safety protections in early childhood education and care settings across the country. The Education and Care Services National Law sets national standards for children's education and care across Australia. It sets out the National Quality Framework and governs the vast majority of early education and care services in Tasmania.

The national law is an applied national law; it is hosted nationally by Victoria and in Tasmania it is applied through the *Education and Care Services National Law (Application) Act 2011*. The act was introduced as part of a national reform agreed to by all Australian Education ministers to establish a consistent regulatory framework for early childhood education and care services across Australia, aimed at improving quality, safety, and accountability.

As part of the recent national work being undertaken to strengthen child safety measures, a major package of reforms was introduced and passed in the Victorian parliament, as the host jurisdiction of the law, in December 2025. It was during this process that an issue was identified in Tasmania's application of the national law. Quite simply, Tasmania has never formally declared its *Registration to Work with Vulnerable People Act 2013* as the relevant working with children law for the purposes of the national law.

At the time of the application act's introduction in Tasmania in 2011, the national law had provisions that applied through state and territories' equivalent working with children laws and, through later amendments, working with vulnerable people laws.

Given the Registration to Work with Vulnerable People system was not a feature of the Tasmanian regulatory landscape in 2011, a declaration was never made to declare it either a working with children or a working with vulnerable people law. This bill closes the identified regulatory gap, strengthens legal certainty for regulators, providers and families, and is a necessary and sensible step to ensure that some child safety provisions under the national law can be fully enforced in Tasmania.

The protection and wellbeing of children and young people remains a central focus of this government. This bill ensures the national law can operate in full within Tasmania, strengthening safeguards for children attending early childhood education and care services. It complements our existing robust reportable conduct and registration to work with vulnerable people (RWVP) framework and adds an additional layer of protection for Tasmanian children. I commend the bill to the House.

[4.50 p.m.]

Ms FORREST (Murchison) - Mr President, I thought I might start off a little history lesson in that - certainly the member for McIntyre was here - but when we are dealing with lots of national laws I think it's probably helpful to reflect on how we get here to some of these situations. As the minister rightly pointed out, the national law is hosted in Victoria. With national law the work is done by the relevant ministers from each jurisdiction. Then there's a host jurisdiction that will host that legislation and then the regulations are generally hosted by a different jurisdiction. It was always a bit of an odd approach in many respects, where every other jurisdiction then had to bring in its enabling legislation, to give effect to the national law. I can understand why these things are important, for example, in health you want one regulatory framework. You want all nurses, all doctors, all health professionals registered under one national register and you do need a process. I remember when we did the Australian Health Practitioner Regulation Agency (AHPRA) bill - effectively they set up AHPRA - the national law was this thick, but our bill was like this - it was tiny. To be sure we knew what we were doing, you actually had to read the national law.

I don't know how big, I didn't pull up the national law on this, but I'm sure it's probably about that thick - for the purpose of *Hansard*, that's quite thick, probably about an inch or so, the same as the national health one. I, on this occasion, haven't gone back and looked through all the national law in relation to this, but I do know that it's our minister who has to take our matters to the national framework here. It is interesting that through the review that was done nationally of the Victorian host legislation, this pretty disturbing gap was identified. As I understand it, and I'm sure the minister can correct me if I'm wrong, we're not actually changing the national law, we're changing our law, because it's a very convoluted process to change the national law. What we're doing here is amending our law that gives effect to the national law. I thought it was really helpful to do a little history lesson, perhaps for some who may not have been here when we did all these things - because there were many of them at the time.

We do know that childcare workers and those working in the early education and care sector do work across jurisdictions, and you have to have been living under a rock not to have seen what happened in Victoria and New South Wales, but particularly Victoria in the early education and care sector there. I remember feeling literally and physically sick as I learnt more and more about that, particularly having grandchildren who live in Victoria who go to child care. It was just truly horrific and to go to that list published on the Victorian government website naming the childcare centres to see where they were, breathing a sigh of relief when your grandchild's daycare wasn't listed, but then seeing one and you didn't know whether they'd been there or not because you weren't sure if that was the one in their suburb or not. It made you - and then I was lucky. My family were lucky. Our children were not exposed to that horror, but thousands of families were. Thousands of children were abused in the most horrific ways.

To think that we have this gap in our law is quite disturbing, and I commend the minister for bringing it forward and getting the loophole closed, if you like. As she said, there is nothing

more important than the protection, safety and wellbeing of our children. I think all of us would have thought at the time that of course the provisions to apply our working with vulnerable people legislation would apply.

I absolutely support the legislation. There's no hesitation for me in this. I'm glad it's being fixed. I'm sure the Leader would have alluded to it if there have been problems that led to this discovery. I'll get her to confirm this, but she said it was through the review of the Victorian legislation, the host legislation for the national law, that this was identified, as opposed to some matter that occurred in Tasmania that brought it up.

I leave my contribution at that, but I do support it. It's incredibly important that we do everything we can, particularly in our early education and care sector, where you have babies and very young children who cannot verbally express what's happening to them or has happened to them. Even those who can verbally express it are often not believed, except I think we're changing that now a little bit.

We are believing children, thank goodness for that. But these are vulnerable little people, some too young to speak, some old enough to speak who, I believe, speak up, aren't listened to and then don't speak anymore. We have to do everything we can to prevent that because those impacts never leave that child, that person, that adult. They always harm their families and we need to do everything we can to stop it.

[4.56 p.m.]

Ms O'CONNOR (Hobart) - Mr President, I rise to indicate that the Greens support the Education and Care Services National Law (Application) Amendment Bill of 2026. It is an interesting fact that when the national application law came into effect in Tasmania in 2011, we had no working with vulnerable people or working with children registration scheme. I know that intimately and personally, because I had to fight to get that legislation drafted, presented to parliament and funded, and that didn't happen until 2013.

Ms Rattray - Well done, you.

Ms O'CONNOR - I'm not saying this for kudos. It's not that long ago that we didn't have any kind of comprehensive framework in place to protect children and other vulnerable people. We had a system of police checks which were grossly inadequate. Two years after we signed on to the *Education and Care Services National Law (Application) Act*, we had the registration to work with vulnerable people scheme in place.

Now, when you read the provisions in this very short bill, it is:

For the purposes of the definition of 'working with children law' in section 5 of the ... National Law ... the *Registration to Work with Vulnerable People Act 2013*, to the extent that it relates to working with children, is declared to be a working with children law for this jurisdiction ...

The next clause is very similar. I'm not sure I'd describe it as a loophole.

Ms Forrest - Or a gap, whatever. Yes.

Ms O'CONNOR - Yes, that's right. If a court had looked at this, it in all likelihood would have gone to the *Registration to Work with Vulnerable People Act 2013*, but it's always good to have precise language in legislation. Noting that Registration to Work with Vulnerable People, in this context children, is just one part of a toolkit to keep people safe, it's not the panacea.

There has to be mandatory reporting in place; we need to have a reportable conduct scheme and child-safe organisations, which we do now in this state, thanks to the advocacy of victim/survivors, the work of the commission of inquiry, the commitment of the government to implement the recommendations and the work of this parliament, to make sure that those recommendations of the COI as they related to child safe organisations and a reportable conduct scheme were implemented.

Noting that, those recommendations had actually come out of the national Royal Commission into Institutional Responses to Child Sexual Abuse, and we here had accepted those recommendations of the royal commission before the commission of inquiry was established here. And you had agencies - at that point, it was the former Communities Tasmania who were dragging their heels on working up the reportable conduct scheme and child-safe organisations. In fact, there was a timeframe for the implementation of the royal commission's recommendations that Communities Tasmania pushed out by a further two or three years. Thankfully, because of the work of the commission of inquiry and, no doubt, good people in both Houses in this place, that work on child-safe organisations and a reportable conduct scheme was accelerated. Thank goodness it was.

In budget paper 2 on page 127, the devastating justice page, the appropriation page in Justice - when you look at the Justice Support Services, there's no revenue by appropriation for the Registration to Work with Vulnerable People scheme because it is effectively designed to be self-funding. But there are some numbers in the Budget that relate to this scheme that I hope the government or the minister can provide some information on. Page 130 of the justice chapter, at \$5.5 million in total expenses by portfolio and output has Working with Vulnerable People; in 2025-26 it's estimated expenses were close to \$11 million; in 2026-27, the estimated expenses in the Budget are \$7.5 million or so; and then when you get into the out years of the Budget, the estimated expenditure is a bit under \$4.3 million. Is the minister able to explain to the Council what kind of analysis or projections went into that? Is there an assumption, for example, on government's part - no, I know, but I need some answers on this today if possible - but what kind of assumptions were made, given it relates directly to your portfolio at some level, minister, that led government to believe so much less money would be spent by the Registration to Work with Vulnerable People scheme in the Department of Justice?

Is it that - and perhaps I can help the government with the answer - is it that government expects that extra work that was required or is required of the registrar of the Registration to Work with Vulnerable People scheme will have peaked and then flattened out? Because presumably - and maybe we shouldn't presume - at some point there won't be the necessary demand for registrations because most people who are working with vulnerable people will simply be renewing their registrations. I understand that it's difficult for the minister, who's not the Attorney-General or the minister for Community, which is where this used to be administered, to answer that question from their own portfolio perspective. It's a really significant drop in the expected expenditure of the registrar's office and I think it would be helpful for the Council to understand why. I know this is a matter that can be explored next

week in Estimates. Unfortunately - or, fortunately, whatever - I am not in the Attorney-General and Justice Estimates committee.

Mr Hiscutt - I got it.

Ms Webb - It's already clocked.

Ms O'CONNOR - Clocked it. Thank you. But if an answer could be forthcoming today, then that might give you an opportunity for another, different type of question.

Mr Hiscutt - You've stolen one of my questions already, though. That's the problem.

Ms O'CONNOR - With those few words, I'm very glad to support this bill and commend the minister for getting on with it.

[5.05 p.m.]

Ms RATTRAY (McIntyre) - Mr President, I have a brief offering on this Education and Care Services National Law (Application) Amendment Bill and I acknowledge the minister here with us taking this bill through. I appreciated the briefing this morning; it was a fairly brief briefing, but the information was still provided.

I asked a couple of questions in the briefing, but I will ask them again on the Floor of the House for the minister to respond in her contribution to the debate, in summing up. How many incidents had been flagged, looked at or part of the process when this was put in place? I think it would be useful to have that on the public record - just the response I received when I asked that this morning. I appreciated the little history lesson because, when you've been here a long time, you do forget some things; it's good when somebody with a very good memory, like the member for Murchison, reminds you of way back. I recall exactly that this happened and there was some pushback from myself at the time, 'Why are we signing up to everything of being nationally consistent?' but there are areas that we definitely need to. I mean, yes, we are small and yes, we are unique, and I still say we don't necessarily need to be signed up to everything, but we do with this type of arrangement. We absolutely do. I 100 per cent support this approach.

I did ask the perennial question, 'What about Western Australia, what are they doing?' I'm always interested because they do run their own show over there. As much as the member for Launceston acknowledges the way Western Australia goes about its business, I was told that they're two years or thereabouts behind this approach, which I found interesting.

Ms Forrest - That's because they take their own approach, they don't engage in national legislation. Is that still the case, minister?

Ms RATTRAY - No, I believe they are going to engage with this.

Ms Forrest - They're going to sign up?

Ms RATTRAY - Yes, so I thought it'd have to be pretty good if Western Australia is signing up and not taking its own approach. I'm sure that given what the member for Murchison shared with us - that horrific story - of course they would want to be signed up to a national approach, of course.

Some really good questions were asked by the member for Hobart and I immediately thought to myself, 'Well, won't we get to the stage where everyone does, or the people who need to have a Working with Vulnerable People card will have them?' Obviously, the minister will answer for you, it's not up to me to answer for the minister when she sits in this House. I've always found it somewhat interesting as well, that this national law is hosted by Victoria but the regulations are hosted by New South Wales. As we know, the national law is often hosted by Queensland and we know they don't have a house of scrutiny, she's straight through. So, we always have to look in Tasmania for how it will affect Tasmanians if we've signed up for a national law, and it's gone through the Queensland parliament, where there aren't those checks and balances that we carry out here in this place.

Ms O'Connor - It's a terrible system in Queensland.

Ms RATTRAY - I'm not making any judgement.

Ms O'Connor - You should, I think you can quite safely.

Ms RATTRAY - Well, that'll be up to you, but I'm just saying it's something that has always intrigued me to some extent because it's not what we do, and we feel, I believe we - I'll use the collective 'we' here - I feel like we make a difference. I'll let others be judge of that; plenty of people move to Queensland, then come down here and wonder what on earth we're doing.

Interestingly, I recall - and I stand to be corrected because my memory is not as good as the honourable member for Murchison's, because I'm a tad older than her - we've only hosted one national approach -

Ms Forrest - About their names, business names. That's correct, yes.

Ms RATTRAY - and that was business names. I hosted the committee of inquiry, which I'm still very proud of, and the legislation passed the House. I trust that the minister has the same success here. I will certainly be supporting it. I thought I'd put a little bit of history on the record as well.

[5.10 p.m.]

Ms PALMER (Rosevears - Minister for Children and Youth) - Mr President, I will just seek some advice. I do thank those members who made a contribution and also those who came to the briefing this morning. I would like to thank my officials who are here and my adviser for being at that briefing this morning. I know that there were some apologies and I appreciate those who sent their apologies.

To the member for Murchison, it was actually OPC who identified the regulatory gap. As we've been working through some of those national amendments, that was how the gap was identified.

The member for Hobart, we are trying to get an answer to your question, but as you have stated, it's outside of my thing. I'm never comfortable, especially on the go, to speak in detail on something on behalf of the Attorney-General or any other minister. We have sent a message but I don't know that I will get you an answer. It's definitely a worthwhile question.

The member for McIntyre, you asked about how many incidents have been flagged and you also were making reference to Western Australia and by interjection, the member for Murchison asked about Western Australia. I'm advised that Western Australia is signing on to the national law. Just in regard to whether there were any risks to child safety during that period of time, I am advised that both our regulatory authority and the Registration to Work with Vulnerable People Registrar are not aware of any occurrences where there has been an impact on child safety. However, it does have the potential if not remedied in a timely fashion, which is what this bill is doing. So, with that, I can't remember what I'm supposed to say.

Ms Rattray - Commend the bill to the House.

Ms PALMER - I commend the bill to the House. Thank you very much.

Bill read the second time.

**EDUCATION AND CARE SERVICES NATIONAL LAW (APPLICATION)
AMENDMENT BILL 2026 (No. 7)**

In Committee

Clauses 1 to 3 agreed to.

Clause 4 -

Sections 14A and 14B inserted

Ms RATTRAY - Thank you, Madam Chair. I appreciated, minister, your response to my question, and I may well have misheard the answer in the briefing this morning and I might have had something else on my mind as well. I understood when I asked the question about the risks, I was told that there had been a handful of risk. I think it's important that we be upfront about this type of thing. If you could just explain - I've taken the opportunity to ask this question under 14A, working with children law. If you could provide that more fulsome answer, and again, acknowledging that OPC had identified the matter and that you've been working through that. I think we should actually have that information on the record; but I may have misheard what was presented.

Ms PALMER - I will seek some advice, Madam Chair. Thank you very much for the question. Thank you, Chair. There was a handful of matters that were identified. The Department for Education, Children and Young People has undertaken work to determine if any regulatory activity was undertaken without the appropriate declarations in place. I'm advised that the department has currently not identified any, however it is seeking legal advice to ensure all activity was done within the scope of the law.

Clause 4 agreed to.

Clause 5 agreed to.

Title agreed to.

Bill reported without amendment.

[5.19 p.m.]

Ms PALMER (Rosevears - Minister for Children and Youth) - Mr President, I move -

That the third reading of the bill be made an order of the day for tomorrow.

Motion agreed to.

**LOCAL GOVERNMENT AMENDMENT (TARGETED REFORM)
BILL 2026 (No. 10)**

Second Reading

Continued from 20 May 2026 (page 82).

[5.19 p.m.]

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Thank you, Mr President. I would like to take the opportunity to conclude my contribution following the briefing that we had finalised late last week. I didn't want to proceed and not have the fulsome information that was provided because, as we know in this place, those briefing sessions and information are very valuable and we certainly use the time in what I consider was very well utilised through that process of questions and answers. I expect that other members found them just as useful.

I did make a contribution, even though it took me a while to recall what I had said and even thought it might have been a bit discombobulating because I wasn't expecting to -

Ms Forrest - Channelling Kerry Finch.

Ms RATTRAY - Yes, I was channelling the former member for Rosevears. That's exactly right. I love that word. I think it's lovely.

Mr Gaffney - What, Rosevears?

Ms RATTRAY - Discombobulated.

Mr Gaffney - Silly me.

Ms O'Connor - If you are combobulated, does that mean you've got your act together?

Ms Forrest - Probably. Do you feel combobulated?

Ms RATTRAY - You can be the judge of that when I finish.

I had made some comments around numbers and the allowances for councillors. I did take the opportunity to reaffirm the advice that I had been given from one of my councils, and I asked if it was okay to name it up and, so, I contacted Mayor Tucker, who is also the Local Government Association of Tasmania (LGAT) president and reaffirmed the position. We had been told in the briefing that there were 18 councils who supported the reduction in numbers and the allowances as part of that; eight were against and three did not respond. Overall,

I concluded that there was significant support for what had been proposed. I want to place that on the record that I didn't just leave it to - 'this is some information and there's some other information' - I did make contact.

Yesterday, I did receive directly from one of my constituents - and I have responded this morning - who is a councillor, and raised some concerns about progressing the reduction of numbers for councils. I made contact back because there were some statements that I was concerned that as a councillor and elected member he'd had no input into this conversation. So, I thought I would make that contact. Regrettably, that contact has not been received back from the answers I asked about whether his council had had that open conversation and whether he had had input. I also asked, if the input wasn't positive for him, in this case, whether he had taken the opportunity to contact LGAT as the peak body to put his concerns forward. I'm not going to name him and I'm not going to read out what he's - it came to all members so other members will have a copy and they may choose to read that out - but because I don't have the response that I would have liked to have had to put his approach on the record, I feel it's not necessarily appropriate. He hasn't given me that permission and so I won't. As always, we appreciate when people reach out to us and particularly if they belong to our electorates. That's my approach, always has been, and I expect always will be. Even if it's not something that you have arrived at or settled on, their view, it's always good to have that approach.

I did receive another direct one as well that I did respond to earlier in the week, but they weren't an elected member of a council. I thought somebody who is an elected member currently would surely have had input and a view. That's where I've arrived in regard to that, so, I'm not going to move away from where I've arrived.

In regard to integrity and accountability, in my view the bill will strengthen integrity and accountability, and the measures that have been put forward, I believe, are a significant step forward. Community confidence in local government depends on clear standards of conduct and credible mechanisms to address serious breaches when they arise. Because we are often small communities, when there's a matter that's in that space, it gets aired in the public very quickly. I know that anyone who has a local government background - and I don't say it's the be all and end all to have that background, sometimes it might well be an advantage not to have had some background - but it doesn't take long for the messages to go round that there is a particular issue - particularly if it's between perhaps a general manager or an elected member or elected members. Imagine that type of atmosphere around the table when there are codes of conduct being raised and people have to sit alongside people where they know that this could end up in a very difficult situation.

The sooner those matters are addressed and the sooner that there's an outcome for the people involved and for the community, then I'm comfortable to support what has been put forward here - particularly when it comes to serious councillor misconduct, because it establishes a new independent pathway to address serious and severe breaches of the Local Government Code of Conduct.

In our information, it goes on to say that the Director of Local Government will act as the gateway to investigate and refer matters to the Tasmanian Civil and Administrative Tribunal (TASCAT) - my word, aren't they getting a lot of work these days? It seems like every time we turn around there's some more work for TASCAT. I haven't looked directly at their line in the budget papers, but I trust that they are being appropriately resourced because, again, as I've said, if matters are delayed, then there is a problem that seems to get exacerbated in the

communities. It goes on to tell us that TASCAT will be empowered with a full spectrum of enhanced sanctions, including suspension and dismissal and/or disqualification of a councillor from office for up to seven years.

I acknowledge that there are a couple of amendments on foot, and I'll certainly be looking at the merit of those as we move forward should this go in to the Committee stage.

There is one question that I do have, and I might have to answer it myself, but I'm going to ask it anyway, because it's important. It's important for the councils that I represent - because that's six local government areas for the member for McIntyre. Temporary advisers - it talks about introducing a new power for the minister to appoint temporary advisers to councils exhibiting emerging governance issues. Advisers will be empowered to enter premises, request information and recommend improvements. They are not light powers in any way, shape or form, so, I'm really interested in what might constitute something that would need a temporary advisor.

I know, from listening to the briefings last week, when the Minister for Local Government, in charge of taking the carriage of this bill, talked about a lot of his own personal experience around matters, I expect that there'll be a response for that. What is going to be the cost? What is likely to need a temporary adviser coming in - empowered to enter premises, request information and recommend improvements? So, what type of person? Is it someone with previous local government experience? Is it a former general manager who's retired and looking for an opportunity to assist in some way? I think it would be useful to have some understanding of what was in mind when that was put forward.

I'm not saying it's not a useful way of approaching it, because it'd be better than being suspended, but I don't talk about that because it gets my blood pressure up, as you know. If you can sort out a matter without having to suspend a council, rather than bring in a commissioner and possibly take 18 months to receive an outcome, which is no outcome, and then the council receives a very large account at the end of it, well, I think that's a good idea, but I just want to have some understanding of what might be constituted there, what might be expected to happen.

Performance improvement directions: I think in this day and age that goes without saying, but it does broaden the scope of those performance improvement directions, PIDs, I think that's how they pronounced it, allowing the minister to issue a direction in relation to any statutory breach, reinforcing their use of an early-intervention tool. Then it goes on to talk about elected member learning and development that requires councillors to complete mandatory training within the first 12 months in office. I know that occurs now, because I'm closely connected to somebody who has completed that mandatory training.

It then says councils are required to adopt continuing professional development policies for councils, and I expect that there will be a template for that, you would hope that there's a template. LGAT has a template; these would be advantageous. Local government areas would pick them up and run with them, and perhaps pick a couple at a time because in some cases they're virtually a volunteer for the amount of allowance that is presented to an elected member, particularly in some of those small councils. The workload is still heavy. I'm interested in that.

There's a reform area: strategic capability and transparency. It almost seems to me like it's a given, but if you've got to put it in legislation to make everyone completely understand,

then it is how you inform those elected members of that obligation. Again, there has to be a lot of that education, that personal learning and development on their obligations to meet that. Obviously, we want all our local government areas to be transparent and have strategic capability, otherwise they're not effectively representing their communities.

A couple of those miscellaneous amendments, sometimes they can be curly ones: there's an alternative voting method proposed which introduces a new framework to facilitate alternative methods of voting in certain circumstances and for certain types of individuals, including voters with a print disability. Absolutely, we need to facilitate however we can. We know that you're also going to be able to attend a council meeting remotely, particularly if you're a semi-retired or retired person and you swan up to Queensland for six months over a winter break and you want to still be part of the council. I'm not sure that six months away would - but anyway, that's up to the community because they decide who they want as their representatives. As I said, those remote meetings, that part of it is very important.

Last but not least is the code of conduct framework. I thought we'd been through this a few times before, but here we are, back again, code of conduct. It makes some administrative changes to improve the efficiency of the code of conduct framework, including clarifying confidentiality requirements. I'd suggest that they as well are very important aspects of this legislation. So, all in all, in my view, it supports better governance, strengthens accountability and positions councils to meet the evolving needs of their communities.

We see this every day: we see how elevated the role of an elected member is for our councils. You know, they are the closest to the people, although I did say in my early contribution that I still receive quite a lot of matters through my door, or through my email or by telephone, or even at the supermarket, asking for some assistance when it comes to local government matters. I remind them that they have nine elected members, or seven elected members, or whatever it might be, and would it be worth talking to them, and they often say, we've already been there and they told us to come to you.

I mean, that might well be a good thing in some cases. They still feel like you have some relevance and they're looking for some assistance, but at the end of the day, you'd like to think that local government matters stay with local government, and then other areas, whether it be a state representative or whether it be a federal member; whenever I have a federal matter, I reach out to the elected federal representatives that we have in this state because they have the access, and rightly so. They have the access, and that's what you would hope when it's state-related matters, that all elected members of this parliament have the access, and that's what it's all about. So, I do support what has been proposed and I look forward to any other contributions that may be forthcoming in regard to this Local Government Amendment (Targeted Reform) Bill of 2026.

[5.37 p.m.]

Mr HISCUTT (Montgomery) - Mr President. Thanks for the contributions from the honourable member for McIntyre. Today we are discussing an issue quite close to home for me. I myself, like some amongst us, came from a local government background and to me that history has felt particularly strong. I was elected in 2018 and served for almost seven years on the Central Coast Council, but further to that, through my great-grandfather and great-uncles, someone with the Hiscutt last name served the community through local government continuously from 1938 through to 1996.

Ms Rattray - More history lessons.

Mr HISCUTT - There's a few around here. All this is to say that the issue is incredibly important to me and to my community. The bill before us today is one piece of work in a long line of work that has been going on since before I was elected in 2018, and no doubt will continue for the next few years. This is not to say anything about the speed of delivery, just that these things take time. The bill before us does many things, but I believe it can be distilled down to the following eight key areas: the role of local government; professional development; councillor numbers and allowances; changes to code of conduct, including introduction of a serious misconduct clause; some changes to councillor strategic requirements; changes to what councils need to report and provisions for temporary advisers; some changes to allow for more ways to vote for those less able; and changes to close councils and making it available remotely.

Let's touch upon these changes methodically. Firstly, the role of local government: we have all often heard the term 'roads, rates and rubbish'. This is a historic view of what councils did. They performed a function to enable local people to have a say in how their local money was spent. However, due to the nature of responsibilities, more and more responsibilities have fallen to local government as the level of government for all things. When federal and state governments fail to help, local government has been forced to step in. It is the level most close to the people. Instead of roads, rates and rubbish, I think it can now be described as nurturer, nature and negotiator. The role of council has been significantly altered in the amendment. In the currently existing *Local Government Act 1993* the role of councillor is ill-defined, something I struggled with a lot. It's stated in section 20 that the role of councillor is 'to provide for the health, safety and welfare of the community', but what exactly does the health of the community look like? Some interpreted this as the physical health of the people of the community, so things like childcare and doctors' services are covered by some councils. Some interpreted this to mean the mental health of the community, and so councils perform functions in this space. For example, in my former council, Central Coast, the Dementia Friendly Cafe was established and backed by council. Some interpreted this as the health of the environment, and so councils have taken up greening strategies and net-zero policies. All of these are valid, yet none of them are clear.

Unfortunately, I don't particularly believe that the new section 19A clarifies this. It now states 'to improve the wellbeing of the community', then gives some ways in which that can be done. Briefly, they are: increasing the unique capabilities of the community; providing infrastructure and services locally; representing and advocating for local needs and interests; and promoting the social, economic and environmental sustainability of the community. For some reason, that last point explicitly calls out climate change and I find that challenging. There's no doubt that councils need to play their part, but I would consider that covered by promoting environmental sustainability and would ask that the minister advise why that specific addition was required when it's already covered in other elements.

What is particularly egregious is the fact that previously the councils at least had the function to provide for the peace, order and good governance of the municipality. The new section 19A doesn't even mention good governance. This is now apparently determined by ministerial order in the Local Government Charter. To me, this feels like it should be a core role of council and covered in section 19A.

This brings us to the new section 20, the Local Government Charter, a ministerial order. As I understand it, and I'd like clarification, this charter will be subordinate legislation and so

will have parliamentary oversight and parliament will have the ability to disallow this charter if we are to find it lacking. I do think that this document can be a great boon for councils, though. Although I would have preferred the role of councillor to be enshrined in legislation, I recognise that the role of councils can be a changing feast and, to that end, I am satisfied that, especially under the current minister, this will become an incredibly valuable document.

One element I am very happy to see within the amended legislation is the inclusion of the second of my points: professional development and mandatory core learning. This is something that, I believe, the sector has been calling out for and to me it was a way of life. Whilst on council, I attended every training session that I was able to and I always learnt new things. Sometimes I learnt through hearing about how others had failed. The role of council is complex; there are many pitfalls. In manufacturing, we used to call it continuous improvement - let every decision be more informed than the last. Councils will need help with this and I ask the government what assistance they'll be providing to general managers and CEOs who are tasked with the responsibility of preparing the continuous professional development policy. Also, this will come at a cost that is not always something that all councils can bear. I hope the government has taken this into account.

Councillors, if they perform well, can be elected again and again for many years. I doubt all the councillors who are re-elected in the upcoming 2026 election will have pored over this legislation to see what is different, but there should be a positive obligation for them to understand what has changed and how to do things better.

The third and most major change that is introduced in this legislation is councillor numbers and allowances. This will be the most fundamental shake-up of our local government system since the amalgamations of 1993 - and, as a Penguinite, I still get reminded of those times often. This is something that I believe the sector broadly supports. LGAT, as the governing body, is supportive and, although some individual councillors and councils are against it, my personal view, from talking to people in the sector while I was a councillor, is also supportive.

Another question to ask may be, does the public, the people of Tasmania, support it? To be honest, I think that, provided their rates don't go up too much, their bins are collected, the roads don't have too many potholes, and the roadside grass is still mown, they're not too concerned.

There have been arguments that this is an attack on democracy. Well, we can't have that, but is that really the case? For a council like Hobart, the reduction is from 12 councillors to nine. This means that previously, each councillor represented 8.33 per cent of the population. With nine representatives, each councillor is now representing 11.11 per cent. This means the representation is adjusted by just 2.7 per cent, so approximately three out of every 100 people. Similarly, if the council is going from nine to seven members, this is a change of 3.1 per cent representation, a barely perceptible change. If you are able to convince 14.28 per cent of the people in your area to think you are better than the next person, then you will be elected.

There is also an argument that this could lead to less diversity. I argue that councillors are elected to look after all of their constituents. Just because I'm not disabled or of a certain race does not mean that I'm not any less capable of advocating. All voices need to be heard, but that does not mean that all voices need to be shown with physical representation. If that was the requirement, then why not have 100 or 200 councillors, each representing their own

minority? There comes a point that we need to trust the people to get it right. I don't always agree with it, and I'm sure you wouldn't at times, but the will of the people is a strong thing to argue against.

Regarding allowances, our councillors are poorly paid and the discrepancy between large and small councils is poorly managed. I know councillors in smaller municipalities who do much more meaningful work than their counterparts in larger areas. If anything, perhaps their allowances should be given based on how active they are. A funny story about this, if I may. When one of the reviews for these amendments was originally postulated - while I was on council, I might add - one of the submissions was from a collective of individuals: one Hugh Hiscutt, one Des Hiscutt and one Ben Hiscutt. Their submission tendered that local government councillors shouldn't be paid at all, that it should be a volunteer role as it once was.

Ms Forrest - Same as us. A lot of people say that about us, too.

Mr HISCUTT - Let me tell you, it was a slightly uncomfortable situation when we next sat down together. The truth of the matter is that the role has changed, and it is now responsible for so much more than it was then.

Ms Rattray - Did you ask if they were going to supplement what you would have got if you were a volunteer?

Mr HISCUTT - No, they didn't offer. I thought about it. Well, Dad's probably done a little bit of supplementing over the years, so I can't say too much.

I support the changes to councillor numbers and allowances. I believe they are fairer for councillors and will not undermine democracy. In fact, as I understand it, Tasmania will still have one of the highest ratios of councillors to population in Australia. It is good to see the inclusion of the option to reduce councillor numbers to five and I must congratulate the government on changing this policy from their original position. I find it very doubtful that this provision will be taken up, although we did hear in workshops that it may be considered.

Through you, Mr President, I would like to ask the government about section 28JAD, where the Governor may make amendments to the number of councillors and allowances. Will this be disallowable by parliament as well?

The fourth issue that is alluded to in the amendments is that of a code of conduct and the inclusion of a new serious misconduct clause. These changes are something that the sector has unanimously been calling for in spades. The current rules are not serving their purpose for dealing with problem councillors. I believe that these changes are for the better. It is clear that something needed to be done. Basically, what follows in the act is a fair bit of jargon to make it possible for a serious complaint to be made and for it to be escalated, eventually ending with the Tasmanian Civil and Administrative Tribunal (TASCAT).

On the way to that conclusion, there is one section that I'll highlight and that is 28ZS, which relates to the minister creating guidelines to determine what is considered serious misconduct and these are given by order. Once again, I ask if these are disallowable; I don't think they are. Although it requires the minister to consult with councils and the public, it does not indicate that the minister needs to consider that consultation. I would hope that this is never used in a nefarious way, but it is concerning to me that more and more of this bill is to be

decided upon by the minister, not the parliament, not the legislation. I hope this trend does not continue. After a serious complaint lands with TASCAT, it has a couple of options if it finds the actions to be serious: these range from a caution up to prohibiting a councillor for running for office for up to seven years. It is this final option that I find quite hard to comprehend.

Although I recognise that this would only be used in the most serious of cases, if someone were to be handed this penalty after one year of service, this could mean that they would not have the opportunity to run again for 11 years. If we want to argue that anything is an attack on democracy in this bill, then this is the clause. I'm of the understanding that there are other portions of the *Local Government Act* that allow for the disbarment of councillors from holding office, but they are through a court of law, which requires a much higher threshold of evidence and legal practice. I am not in favour of unelected representatives having this power, and I will flag with fellow members that I intend to move an amendment to section 28ZX(1)(e) to reduce this to only three years. I will explain my rationale for that if the bill comes to that stage. In general, it should be the people who make the decision on who represents them, not unnamed, unelected people behind the panel.

Next on the list of changes, number five by my count, is those to councils' strategic documents, namely implementation of a workforce development plan, a revised strategic plan and a community engagement strategy. Although these are all relevant and appropriate actions, I must urge the government to realise what a constrained environment local government works under. They are not buckets of endless money to employ people to make plans. Every time a new plan needs to be developed or adapted, it means time away from core functions.

I would ask the minister if any additional support is going to be given, especially to smaller councils, in the development of these plans. I would also note the irony in the development of the community engagement strategy and the fact that it is a requirement that the council consult with the community on developing a strategy on how to consult with its community. A bit of circular logic there, but necessary given the subject.

Sixth on the list is changes to reporting and administration. Once again, this sees the introduction of a ministerial order which may specify performance reporting requirements. I will continue to ask if these are disallowable, and what is this trend towards orders? It continues in relation to what information is applied on rates notices. Why should the minister decide this with no oversight? This could have a similar effect to the issue previously mentioned as to the administrative burden placed on councils. Smaller councils do not have the resources to cope. Will the government supply support?

This section also covers auditing and the provision for temporary advisers. The temporary adviser is an interesting role, apparently to be used when there is evidence of emerging governance or operational deficiencies. One of these deficiencies can be practices that cause a risk to the council's financial sustainability. I do find the irony hard here that although a council may be feeling the pinch and having issues with money, it is then forced to have a temporary advisor. Do you know who's expected to cover that cost? The council, even though it may not have requested or wanted this advice. I believe that if the government is to appoint these advisers, then it should be paying for them.

Ms Rattray - Through you, Mr President: I always thought an AGM was somewhere where the community would have a look at how the council was performing.

Mr HISCUTT - That's certainly an option. I do like the inclusion that councillors can self-refer for an adviser, and I would hope that this is the choice most often made. The member for McIntyre spoke to this as well, but what is missing is what qualifications a temporary adviser must have and how they are appointed. It would be unfortunate to see this just as another jobs for the boys position. We wouldn't want someone who was a failed government member of parliament all of a sudden given the role as a temporary adviser at some huge cost. Hopefully, they would need some sort of qualifications as a previous GM - there was no sarcasm there. Hopefully they would have someone who has qualifications, either a previous GM or someone who can certainly clear that. I ask particularly: could the government please confirm what qualifications a temporary adviser will require, and how they will be selected, and point to the evidence of where this is shown, or if not, have it on *Hansard* why that happens.

Ms Rattray - Good questions.

Mr HISCUTT - Well, it's a copy of yours, really, so no wonder it's so good.

Seventh on my list is the relatively uncontroversial change: it allows the Electoral Commissioner to approve processes to assist voters who are vision impaired, incapacitated or unable to read and write, as set out in Division 7. I will not go into detail, but we should be doing everything we can to ensure that as many eligible people as possible can vote. That is democracy in action. It is important, however, that the confidentiality and impartiality of those votes are protected. The act appears to address this appropriately. It is also right that these arrangements be audited periodically, and I expect they will be considered by a parliamentary committee after elections.

Last, and one that I believe is very important, are the changes to the Act and the meeting proceeding regulations that allow for voting whilst away from the chambers. As our COVID experience showed, sometimes we need to be apart. This should not, however, stop democracy. Provided you can ensure that you are safe and not compromised, then I think this change will help engage younger and more active councillors. The member for McIntyre spoke about those who are older and maybe going on six-month trips, but I will talk about maybe a mother or father who has a sick child. That may mean they're unable physically to get to the council chambers, but your voice is still important. Provided it is safe to do so, the ability to attend remotely would be appreciated by many.

In summing up, I will be supporting this bill. I appreciate that the government has listened to the sector. I very much appreciate that there has been genuine engagement. There is still more to be done, but this is a start that is long overdue. Most of these changes will only better the industry. I confirm and raise my concerns in the following three areas:

- (1) The administrative cost burden for councils. It is all well and good to ensure good governance through regulation, but once that regulation causes more detriment by introducing it than it does to fix the problem that exists, then it is not good governance. It will lead to lesser outcomes unless the government commits to assisting the sector either through workforce or budgets.
- (2) The movement to orders instead of regulation. This is a very concerning trend and it is littered throughout this legislation. I will be watching very closely to ensure that this does not begin to permeate other government legislation. There should be oversight, as I have mentioned. I feel confident in our current minister, but that

does not always mean that I will have confidence in the person who becomes the minister in the future. The parliament should have the ability to provide oversight and I'd like to know the governance rationale for this trend.

- (3) The extended period that TASCAT can bar someone from running for council. This in particular, to me, is too far. As I've indicated, I will be moving an amendment on this issue.

I look forward to the government's next tranche of local government reforms and will always maintain a healthy engagement with the sector. I will leave you with this: if only we held ourselves to the same standard that we expect of local government. I look forward to the passage of this bill and the Committee stage.

[5.58 p.m.]

Ms FORREST (Murchison) - Thanks, Mr President. So people don't get too stressed, I'm going to speak for a little bit, then adjourn the debate, as requested by the Leader. I know members have lots on as well.

I rise to speak on some much-needed reform to the *Local Government Act 1993*. I acknowledge there will be further debate on the matter, particularly around councillor numbers. I should acknowledge from the outset that I do not come to this debate with a local government background. Some may see that as a limitation; I suggest it can be an advantage. Those deeply embedded in the sector can sometimes find it harder to step back and ask: does this arrangement still serve the community well? Approaching these questions from this place, and broadly, the reforms before us look reasonable and respond to a number of pressing matters relating to local government.

I am sure members know that the Murchison electorate spans five north-west councils: Circular Head; Waratah-Wynyard; a fairly significant part of Burnie City Council, ever-increasing; West Coast Council; and, of course, the beautiful King Island.

I note that councils across the region engaged constructively with the consultation process. Their broad support is based on the detail, and the councils I represent have broadly endorsed the overall direction that's being taken. Some of them have raised concerns about the next tranche, but we are not dealing with that now and we will come to that at a later stage.

The serious misconduct provisions are, I think, a quite significant element of this bill. The power to ban a person from standing for election by an administrative tribunal as opposed to a court did make me stop and think: is this what we should be doing? Obviously, it is only following a finding of serious misconduct. It is a strong power, and I will be listening to any concerns raised by the members in this place as well about the upper limits of the banning period. I know that the member for Montgomery spoke about if a serious misconduct occurs, like toward the end of a four-year term, then effectively it's three terms before you can stand again. I know this is something that has been consiled and there are arguments for and against it, but I think it is an extraordinarily long period of time for the people to not be able to elect someone who they may have deliberately supported for a particular reason. You don't get elected on only two votes normally. We know that there have been occasions where elected members have had quite a small number of votes and got elected. We've seen that in this place too, I might add, by population. But we don't then say, 'Well, you're an illegitimate member', do we? The community and the people always get it right. Sometimes they don't quite know

how that member is going to perform when they're there, and the same can be said for people in this place, and the big house up in Canberra. We do see - and we have seen - some pretty appalling behaviour from time to time. So, let's not point any fingers more firmly at one level of government without looking carefully at ourselves as well.

I will listen to other members' contributions on this because I think it is a serious matter we're dealing with. It is serious misconduct we're talking about, but I do think there is obviously a need to do something, otherwise we wouldn't be here. From the extensive briefings, and we certainly explored this matter quite extensively, and I would like the minister, hopefully when he does his reply, to be able to fully reiterate some of the matters that were raised during the briefings as justification for that - if they want my support for it. I am a bit concerned about the scope of it, the powers that we're giving TASCAT here and the implications that could have.

That said, the power itself is clearly necessary. It's the extent of the power that I'm talking about. It's no secret to anybody that some of the matters where these provisions in the bill respond to are matters that there's been a real lack of real options for the local government office, for the minister or anybody, and I don't think the minister should be inserting themselves directly into this matter either, for that matter. But there have been some very serious issues, and I'm personally aware of some of these matters because they occurred in councils I represent. Members of those councils would come to me and they'd ring me and say, 'This is happening, what can we do?' You contact the local government office, contact the LGAT, talk to the minister, and there we are still dealing with the same problem. I'm asking myself, 'Well, how can this be?' The other members of the local council are asking, 'How can this be?' And the person who has perpetrated the misconduct just sits there and smiles, or continues the behaviour or whatever it is that is the problem.

There is no denying there's a problem we need to fix - I don't think that's the question. The question is, is this the right mechanism to fix it, and if it is, I think we need a little bit more detail about the size of the stick, not the stick itself. I hope that the minister's advisers will be able to put something together, either for the minister or for the Leader, if she's doing the wrap-up with the minister still unwell. These serious matters do demand a meaningful consequence, they really do. The community expect it, the local government, members of that particular council expect it, I expect it, but we need to be clear about what we're doing and how we're doing it.

Some of these serious misconduct issues I'm surprised didn't disqualify someone, particularly when they've undertaken an offence such as a certain councillor in Waratah-Wynyard who exposed himself to a woman and child on a beach; one would think that would be enough. These sorts of behaviours do demand a meaningful consequence and community trust in local government depends, I believe, on knowing that serious misconduct is taken seriously and dealt with. My community saw so much of this go on, with on and no apparent resolution. It was like the government, the parliament, was condoning that behaviour because nothing was happening from their perspective, and that's not okay either.

I also note that TASCAT is not a court, but it does have significant powers, particularly with those provided through this bill. I don't think that's unreasonable. I'm just asking the question about the size of the stick. In my mind, too, and I did raise this in the briefings, that one would think that some matters of serious misconduct would constitute an offence that would be dealt with through the judicial system.

I will seek to adjourn the debate after I've dealt with this particular matter about serious misconduct before I go to other matters. But, when we go back to the TASCAT question - and I haven't looked in the budget papers yet on this particular matter, I've been looking at other things - my question is: is additional resourcing being provided to TASCAT, as some of this work and the investigations that may be required, knowing what's happened in the past, may be quite complex and quite lengthy and tie up resources of TASCAT?

We're seeing cuts everywhere. We're seeing people who are expected to make significant savings in a whole range of areas, but here we are, giving another power, another requirement to TASCAT. What is the budget allocation for this - the specific amount of money that's been provided to TASCAT to do the job? Don't just tell me it's absorbed into the whole TASCAT budget. That's not good enough.

Ms Webb - Pretty sure that was the answer when I asked.

Ms FORREST - Well, if that's the answer, that's not good enough. We need to know what additional provisions have been made for this, because, assuming if this was passed and went into law, ideally before the next council election, as I understand it, then we need to know because there will be this financial year. We need to know.

I will leave it that. I've got a range of other matters that I want to speak to and I appreciate the opportunity to have two cracks, particularly as I wasn't fully prepared for this. I will, at this point, move -

That the debate be adjourned.

Debate adjourned.

ADJOURNMENT

[6.07 p.m.]

Ms RATTRAY (McIntyre - Leader for the Government in the Legislative Council) - Mr President, before I move that the House now adjourn, I'd like to particularly acknowledge the members for Montgomery and Murchison for their input into that, and I acknowledge there are some members still putting together their contributions. I thank everyone for their input into today's work. I move -

That, at its rising, the Council adjourn until 11 a.m. Thursday 28 May 2026.

Motion agreed to.

Ms RATTRAY - I'm just reminded by my team there is a briefing in the morning as well. It should be in your diary. I move -

That the Council do now adjourn.

**Member for Rumney - Comments by Treasurer and Minister for Health,
Mental Health and Wellbeing**

[6.08 p.m.]

Ms LOVELL (Rumney) - I rise to make a brief contribution on adjournment, which, as members would know, I do very rarely, but I did flag this morning that I would be seeking an opportunity to correct the record.

My name was mentioned no less than eight times in the other place this morning, granted once was by the Speaker as she pulled up the Treasurer on appropriate use of titles and ways to refer to other members in this place and the other place. I was also referred to by title twice yesterday.

I'll read a couple of these quotes into the *Hansard* just to give people an idea of the context of how this was done. Yesterday, the Treasurer said:

You go to the shadow health minister, Ms Lovell, and she will confirm that savings can be made in the bureaucracy in Health.

Now, I would like to correct the record on that quote. I have never said savings can be made in the bureaucracy in Health. So, that is a misquote.

The minister for Health said:

You could take the word of your own opposition health spokesperson, for example, who said that there are efficiencies to be made.

Today, the Treasurer said in relation to back office:

What I suggest you do, honourable member for Clark, Ms Haddad, is to speak to your colleague, the honourable Sarah Lovell MLC, member for Rumney, shadow minister for Health, who has confirmed we can make those sorts of savings.

That was in response to a question about the \$700 million worth of cuts in the Budget. Further, during Question Time, the member for Bass, Ms Finlay, raised a point of order:

Speaker, point of order, Standing Order 45, relevance. It was actually a very clear question. What does the minister consider as 'back office' jobs?

The Treasurer responded by way of interjection and said, 'The same as Sarah Lovell.' Now on that one, I'm really glad to hear that the Treasurer has the same opinion as me about back office jobs because I've said quite clearly that there are no back office jobs in Health. I'm thrilled to hear that the Treasurer agrees with me on that one.

During the MPI, which was on cuts and waste, the Treasurer said, and again, I'll quote:

Can savings be made in the Health budget? Yes, they can. Allow me to quote verbatim:

There is no doubt that we need to review how money is being spent in the Health system and that there are savings that can be made.

Lovell said -

for the purposes of parliamentary decorum, the honourable member for Rumney, the honourable Sarah Lovell MLC, shadow minister for Health -

on the record, acknowledging that savings can be made.

And that is a quote from *Hansard*. Let me be absolutely clear, savings does not mean cuts. Efficient spending does not mean a saving to the budget bottom line. It means more money to invest in the delivery of health services. I've been very clear on that all the way through this conversation.

We are in a position of power and privilege in this place. The Treasurer is in one of the positions of greatest power and privilege in this state and shame on him for using that position in such a dishonest way. This is not unexpected. Misrepresentation is a hallmark of the Liberal Party in Tasmania.

While I'm on my feet, there is one other matter I'd like to put on the public record. The Tasmanian Liberal social media account posted a photo with text across it on Monday claiming, 'Sarah Lovell breaks ranks with Labor on health funding!!' By the way, I did nothing of the sort, but I'm not going to waste time countering such a ridiculous claim because I know my position on this Budget is unmistakable. This post was shared by the Rockliff team media account almost immediately. Amazing coincidence, I know.

The photo they used was a photo that is readily available online. I've posted it on my own social media. It's a photo of me from the waist up in front of a beautiful old brick wall. The photo is almost 10 years old. I'm quite fond of that photo. It was taken in the car park out the back of my old workplace up in Davey Street. It was last minute. I'm wearing no make-up, and I'd cut my own fringe in the mirror in my bathroom about half an hour before because my hair was in my eyes.

This photo became my campaign photo in 2017. It's on my corflutes, which I acknowledge are due for an update now, but it's a nice photo. Imagine my surprise, then, when I looked a little closer and realised that my photo had been altered. Not a lot, and some might argue that the changes were positive - I do look a little more glamorous, I acknowledge - but my teeth and the shape of my mouth have been changed, a bit more colour has been added, like I'm wearing make-up all of a sudden and my freckles have been erased. It's not me. What's most concerning is that there is no disclaimer, no note on Facebook, to identify the fact that the photo has been altered. Not only is this government and this political party happy to take our words out of context, to remove nuance, to twist what we say and how we vote, to score a political point, but now they are happy to alter the appearance of someone without permission, without explanation, and seemingly without need.

I choose not to use AI or Photoshop, or even filters on my photos on social media, and I do that for a reason. I want to be authentic in my role - partly because that's important to me, partly because I'm very aware of the ever-increasing pressure on young people and women of all ages in particular to adhere to unrealistic standards and how the use of AI and digitally

altered images can contribute to that. I want no part of it, and that is a conscious choice I have made.

Ms Webb - Let's remember this when we discuss 196 from the *Electoral Act* in this Chamber. Let's remember this.

Ms LOVELL - Let's. This might not seem like a very big deal, but I think it is. It's deliberately dishonest. It's deeply concerning when you have leaders of our state who are not only so eagerly dishonest but seem to have no understanding of how to use their platform responsibly. It should concern us all. We come into this place in good faith, ready to have a debate, ready to argue over policy, but it seems that some people have lost sight of why they are here and how to conduct themselves as decent, honest humans. What a shame that is.

My position on the Budget is clear. You can read my speech. You can read any of the public statements in my name. So don't use my words, or indeed the words of the AMA, out of context, as they have also done numerous times this week to support your heartless gutting of the Health budget. Have the courage to stand by your decisions. If you want to gut the Budget, cut services and you really believe you're doing the right thing, have the guts to own it.

Recognition of Visitors

Mr PRESIDENT - I welcome to the Chamber - to see us finalise our sitting today - a group from Guess My Accent, which is a social group of people living in Tasmania from non-English speaking backgrounds. Welcome to the Legislative Council Chamber today. We're just about to finish our day's sitting. I know all members will make you welcome for the short time.

Members - Hear, hear.

Member for Murchison - Sharing of Private Email to Media

[6.16 p.m.]

Ms FORREST (Murchison) - Mr. President, I rise on adjournment after having listened to the contribution of the member for Rumney which is quite disturbing and raises concerns about code of conduct matters.

Sadly, mine goes to that point as well.

I rise to ask a very simple question: who in this government shared a private internal email containing personal health-related information with Pulse Tasmania news? I say this not as a criticism of Pulse news. They were doing their job. They get an email from someone in the government that looks like news, so they report it and they call me for comment.

I was contacted by Pulse Media Group during the lunch break. I didn't take the call right away and I just called back as I left the meeting I was in. And I did speak to them at the time, so I'm well aware that the story is out there, though I haven't seen anything on their site as yet.

But what I want to be very clear about is what actually happened here. The email in question was a routine, courteous administrative communication - a request sent through proper parliamentary channels at 10.32 this morning. It was a simple request on my behalf as the Chair of the Estimates Committee A, asking that ministers and departmental staff refrain from wearing strong fragrances to the upcoming hearings, given that I and some others have experienced adverse reactions in the past to these strong fragrances, perfumes and aftershaves. I know I'm not alone in this.

I was quite confused when I took the call as I thought the call was from Pulse news, but the way in which the matter was raised made me think it must be someone from the government seeking some clarification about the request we had made.

So, I was a bit caught short and off guard and then realised refusing to comment would have likely led to a story that I would have had no say in what was reported. So, I did comment and I provided a brief, overarching comment that related to this and I what I believe was a reasonable and respectfully asked request.

This email was sent by our Committee Secretary at my request and responded to by a member of the Premier's staff who is the committee contact regarding Estimates committee business. It was an internal communication between parliamentary and executive staff. When did it become okay to release such communication to the media?

It was not a press release. It was not a matter of public controversy. And yet someone, and I would like to know who and who authorised this - it is obviously someone connected to this government, someone who saw fit to hand it to a media outlet, someone who thought it was reasonable to send private committee communications to the media.

I ask not only who, but why? What was the purpose - to embarrass me? To mock a legitimate health-related request? If so, that tells a great deal about the character of those involved.

Was it done to undermine a genuine, respectful, legitimate request from a parliamentary committee?

Members of this place are entitled to expect private communications concerning their health and personal needs to be treated with basic dignity and discretion. Surely, Mr President, the fact that this was sent to the media speaks not to any failing on my part or my Committee Secretary's part, but to the pettiness and disrespect to whoever thought that this was worth doing. This was disrespectful, inappropriate, breaches the trust of members of the committee I chair, as well as myself and my Committee Secretary, and I fear was intended to minimise and trivialise a genuine health matter as well as to humiliate me.

Ms Thomas - And distract from a bad budget.

Ms Webb - Anything to throw out to distract.

Ms FORREST - Anything.

I wonder, and I now ask after listening to the member for Rumney as well, how low will this government go, how low will they stoop? I call on the government, and I expect the Leader

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will take this forward, to identify and name who was responsible, and to explain to this House why a confidential internal email ended up in the hands of the media. I also ask for a formal and public apology to me, to members of the committee, and to the Committee Secretary.

The Council adjourned at 6.21 p.m.

DRAFT

Appendix 1

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QUESTION ON NOTICE

Question No.30 of 2026

Legislative Council

ASKED BY: The Hon Ruth Forrest MLC

ANSWERED BY: Minister for Energy and Renewables

QUESTION:

- (1) *With regard to the operations of the National Electricity Market and directional pools and allocation rules:*
- (a) *Can the Minister confirm and/or explain:*
- (i) *that inter-regional settlement residues are separated into two directional pools - one for flows from Victoria to Tasmania and one for flows from Tasmania to Victoria;*
 - (ii) *that according to National Electricity Rules, each directional pool is allocated between the two regions and is this a specific rule or a convention; and*
 - (iii) *that the importing region receives the majority share of each directional pool?*
- (b) *For electricity flows from Tasmania into Victoria, can the Minister confirm the percentage of the pool allocated to the Victorian transmission network operator?*

ANSWER:

The most appropriate source of advice on the detail of the National Electricity Rules (NER) is the Australian Energy Regulator (AER) and in relation to the conduct of the settlement residue auctions, the Australian Energy Market Operator (AEMO).

That said, I am advised by my Department the interregional revenues for Basslink will be separated into two directional pools, with the southward pool having reference to Tasmania and the northward pool having reference to Victoria.

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OFFICIAL

2

QUESTION:

- (2) *With regard to the treatment of Interregional Residue Revenue by TasNetworks, can the Minister confirm and/or explain:*
- (a) *that any residue revenue allocated to TasNetworks, whether from the pool or from auction proceeds, must be treated as regulated revenue under the AER's Post-Tax Revenue Model;*
 - (b) *that the AER requires all such revenue to be credited against TasNetworks' allowed revenue, thereby reducing the amount recovered from Tasmanian customers; and*
 - (c) *that Hydro Tasmania does not receive any portion of the residue pool directly under the regulated model?*

ANSWER:

The most appropriate source of advice on the detail of the NER is the AER, and in relation to the conduct of the settlement residue auctions and the operational aspects of the regulated interconnector model, AEMO.

That said, I am advised by my Department that the inter-regional settlements residue proceeds received (either through AEMO auctioning the right to receive the southward interregional revenue - obtained by the successful bidders - or the absolute value of the interregional revenues that are not sold through auction) will flow back to Tasmanian customers through lower transmission network charges. That source of value offsets the allowable revenue that TasNetworks, as the coordinating network service provider (CNSP), is required to collect from Tasmanian customers for the Tasmanian region, including Basslink (or Marinus Link in the future, as determined by the AER from time to time). The southward interregional revenues (direct or auction proceeds) do not relate to TasNetworks' allowed revenue in relation to its Tasmanian network.

I am also advised by my Department that Hydro Tasmania does not receive any proportion of either the northward or southward interregional revenues for Basslink, unless it participates in an auction to do so.

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3

QUESTION:

(3) With regard to the auctions and pre-auction deductions, can the Minister confirm and/or explain:

- a. whether any deductions or allocations are made from each directional pool before the auctionable amount is determined; and*
- b. if deductions occur, can the Minister list the categories of deductions applied prior to auction;*
- c. which entity receives any pre-auction allocations from the residue pool; and*
- d. that Hydro Tasmania can only obtain exposure to inter-regional residues by purchasing units at auction?*

ANSWER:

It is standard practice for market participants, including Hydro Tasmania, to purchase access to either northward or southward interregional revenues through auctions conducted by AEMO.

For further detail on the operational aspects of the regulated interconnector model, the best source of advice is AEMO.

QUESTION:

(4) With regard to the future electricity export dynamics under Marinus Link, can the Minister confirm and/or explain:

- (a) whether Tasmania is expected to become a net exporter of electricity once Marinus Link and the North West Transmission Developments are completed;*
- (b) if Tasmania becomes a net exporter, the dominant directional pool will be the Tasmania-to-Victoria pool;*
- (c) under current rules, the majority of the Tasmania-to-Victoria pool will be allocated to the Victorian transmission network operator;*
- (d) whether the Government has undertaken any modelling of the expected annual value of the Tasmania-to-Victoria pool under future export scenarios; and*
 - (i) If so, will the Minister table that modelling?*

ANSWER:

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OFFICIAL

4

The direction of energy flows between Victoria and Tasmania across Basslink are fundamentally a function of price differentials between the regions. Under normal energy market dynamics, electricity flows from low-priced regions to high-priced regions. The introduction of Marinus Link will not change this underlying dynamic. Once Marinus Link is online, the flows across both Marinus Link and Basslink combined will be a function of price differences between Victoria and Tasmania every five minutes.

Currently, Tasmania is broadly balanced across electricity supply and demand, provided typical/average inflows and wind patterns are delivered. In the current context, with Basslink returning to operate once again on an open-flow basis from 1 July 2026 (rather than transport/toll bidding), the primary driver of whether there are net exports or imports across Basslink over a year will be the weather. A drier (or less windy) than average period will tend to deliver a net import situation, due to demand outweighing supply, and above average inflows (or wind) would tend the system towards net export, as supply outweighs demand. Equally, any changes on the demand side would have a similar impact.

This core dynamic will not change once Marinus Link comes online. Whether Tasmania is a net exporter or net importer over a period will primarily be determined by the Tasmanian electricity supply and demand balance. This underpins the strategic importance of interconnection as not only an economic matter, but also for energy security.

The modelling undertaken for the Whole-of-State Business Case showed that Tasmania moves to become a net exporter of electricity once Marinus Link is online. It is important to note this is not due to Hydro Tasmania pursuing an "export-driven" strategy. This is instead because of a key shift in the Tasmanian electricity supply/demand balance.

Because Marinus Link provides a path to market where a large degree of new generation is required to meet the retirement of coal and given the modelled capacity factors of wind in Tasmania relative to elsewhere in the National Energy Market (NEM), the Tasmanian generation sector was modelled to expand at a rate greater than that required to meet Tasmanian demand only.

In a situation when Tasmanian supply regularly outweighs demand, the resulting outcome will be that Tasmania moves to become a net exporter of energy. In practice, the degree to which Tasmania becomes a net exporter over the long term will be a function of the future roll-out of new renewable generation in Tasmania (which depend on factors including commerciality, planning and environmental approvals), as well as the evolution of the on-island electricity demand (for example, the future of our major industrial customer segment, and potential new large loads, such as hydrogen and e-fuels and data centres).

However, regardless of whether there is a material shift in the supply and demand balance that results in Tasmania becoming a net exporter or importer, there will continue to be routine northward and southward flows

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OFFICIAL

5

across the interconnectors, at the five-minute interval. This is dictated by the relative spot prices in the Victorian and Tasmanian NEM regions.

Where price differences accompany those northward or southward flows (that is, the prices in Tasmania and Victoria separate) on a 5-minute basis, interregional revenues will arise. Even in a situation where Tasmania becomes a net exporter over a period of time (e.g. a year), this doesn't necessarily mean that the northward pool will be large or dominate the size of the southward pool. The size of the interregional pools is a function of both the volume of electricity flowing and the size of the price differences that accompany those flows.

The Government has not undertaken any specific modelling of these matters.

QUESTION

(5) With regard to the Whole of State Business Case and information provided to the Minister and Cabinet, can the Minister confirm and/or explain:

- (a) whether the Whole of System Business Case provided to Cabinet included explicit analysis of how inter-regional residues would be allocated between Tasmania and Victoria under the regulated model;*
- (b) whether Cabinet was provided with modelling of the expected northward and southward pool values over the life of Marinus Link; and*
- (c) whether any analysis was provided to Cabinet on the risk that TasNetworks may receive little or no residue value in years where Tasmania is a net exporter?*

ANSWER:

A key focus for the Whole of State Business Case was to consider, *inter alia*, customer price impacts through transmission prices (as well as wholesale price changes). As a conservative approach to examine costs and benefits, the analysis assumed all of the Tasmanian revenue requirement would be met through transmission costs, with no offset from interregional revenues, noting also at that time AER's Draft Determination had not accepted APA's application to convert Basslink to a regulated interconnector. Accordingly, no modelling was undertaken on the potential value of interregional revenues.

TasNetworks does not have a financial 'exposure' to the value of interregional revenues – as the CNSP for Tasmania it will pass through auction outcomes to customers. While there may be differences in annual interregional auction forecasts by TasNetworks and the actual auction results, these are 'trued-up'

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OFFICIAL

6

in following years as occurs now for differences between forecasts and actuals for its existing network (e.g. annual customer demand forecasts).

QUESTION:

(6) With regard to the Post-Tax Revenue Model (PTRM), and related regulatory process, can the Minister confirm and/or explain:

- (a) the commencement date, regulatory period and any transitional arrangements applying to Basslink under the Australian Energy Regulator's revenue determination;*
- (b) whether the AER's Post-Tax Revenue Model will apply to Basslink from the commencement of regulated operation;*
- (c) whether the AER has provided any guidance to TasNetworks or the Government regarding the treatment of inter-regional residue revenue in the revenue determination; and*
- (d) whether the AER's revenue determination for Basslink assumed any inter-regional residue revenue in its modelling?*

ANSWER:

The most appropriate source of advice on the detail of the NER is the AER.

That said, APA has confirmed it intends to convert Basslink to a regulated interconnector as of 1 July 2026, following the AER's approval of its application.

The AER has not provided any guidance to the Government on the treatment of inter-regional residue, as this is not a matter for the Government. TasNetworks has undertaken its own analysis of the potential value of the southward interregional revenues for the purposes of determining transmission prices for Tasmanian customers in 2026-27. It will be required to do so for each financial year.

The AER revenue determination for Basslink set the maximum allowable revenue that Basslink will be entitled to earn, based on the same framework that applies to all transmission assets. In setting the maximum allowable revenues for Basslink, the AER was not required to determine potential interregional revenues for the interconnector.

There are several sources of revenue that can deliver the overall revenue requirement – the network charges from customers (both directly connected major industrials and the distribution customers), the value of auction proceeds for the north-south inter-regional settlements residue (or their actual value if not sold through the auction).

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OFFICIAL

7

QUESTION:

- (7) With regard to the building of new variable renewable energy generation and the role of Hydro Tasmania, can the Minister confirm and/or explain:*
- a. whether new renewable projects enabled by the North West Transmission Developments are expected to require Hydro Tasmania to provide firming or system support through Power Purchase Agreements;*
 - b. whether the cost of such Power Purchase Agreements will be borne by Hydro Tasmania; and*
 - c. has the Government assessed the combined financial effect of:*
 - i. Hydro providing PPA support for new renewable projects; and*
 - ii. the majority of northward residue value flowing to Victoria?*

ANSWER:

Shareholder Ministers updated Hydro Tasmania's Ministerial Charter in 2024, requiring Hydro Tasmania to build and deliver energy projects that focus on low-carbon emissions and align with Hydro Tasmania's competitive advantages that add to Tasmania's economic prospects and support Tasmanian jobs, including through entering into firming contracts, partnerships or offtakes with developers and other energy generators.

Hydro Tasmania has published its market engagement approach, which outlines it has a structured procurement pathway through expressions of interest or tenders, ensuring fairness and transparency¹.

A power purchase agreement (PPA) with Hydro Tasmania is one mechanism available to provide new generation project with the revenue certainty needed to achieve final investment decisions.

However, the degree to which new renewable generation will proceed on the basis of commercial arrangements with Hydro Tasmania cannot be determined in advance, and it is not the only mechanism to support the revenue certainty needed for new generation projects.

The Federal Government's Capacity Investment Scheme (CIS) provides another avenue, and the Tasmanian Government has signed a Renewable Energy Transformation Agreement with the Federal Government, securing access to a dedicated allocation for Tasmanian renewable energy projects in CIS auctions.

¹ <https://www.hydro.com.au/sites/default/files/2026-02/market-engagement-approach-nov-20250f51654-aa8d-49e6-ace8-cec3145e0cb5.pdf>

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8

Work is also underway on the National Energy Market reforms, including to address the mismatch between the long-term timeframes required for new sellers in the market, against the short-term contracts sought by market buyers, through the Energy Services Entry Mechanism (ESEM). The intention is for the ESEM to become the principal vehicle to provide the contracting requirement to precipitate the investment required to meet the challenges of the national energy transition.

Proponents of renewable energy generation projects can also manage their revenue risk by offtake arrangements with major loads in Tasmania.

QUESTION:

- (8) *With regard to the Hydro Tasmania's export strategy, can the Minister confirm and/or explain:*
- whether Hydro Tasmania has advised the Government that it has "no export-driven strategy"; and*
 - whether the Government's energy policy continues to rely on export-driven revenue assumptions from Hydro Tasmania?*

ANSWER:

Hydro Tasmania's future strategy is founded upon shifting the timing of its hydro production to periods that reward the flexibility of its plant. This creates the opportunity for new renewable generation to enter to provide the lower value 'bulk energy'. That entry could be in Tasmania directly, or the energy imported through the two interconnectors. It is about shifting generation to maximise the benefit of both imports and exports, not about simply pursuing an "export-driven strategy".

With Marinus Link at 750 MW and Basslink operating at around 500 MW, there will be around 1 250 MW of interconnection between Tasmania and Victoria, and the average system demand in Tasmania currently is around 1 200 MW. Absent a material shift in the Tasmanian load profile, this will mean that most of the time, Tasmania and Victoria will effectively operate as a single market (that is, the two systems will not face a binding transfer constraint).

In this context, the division between 'export-focus' and 'local-focus' become less relevant, and the source of value for Hydro Tasmania, and Tasmanians as its owner, is the variability in the Tasmanian/Victorian spot price – both the predictable daily and seasonal variations, and value derived from shortages of renewables driven by sustained weather conditions.

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9

APPROVED/NOT APPROVED

Hon Nick Duigan MLC
Minister for Energy and Renewables

Date:

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