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PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 23 SEPTEMBER 2020.

INQUIRY INTO THE TASMANIAN GOVERNMENT'S RESPONSE TO COVID-19

The Honourable MICHAEL FERGUSON MP, MINISTER FOR INFRASTRUCTURE AND TRANSPORT WAS CALLED AND EXAMINED. **Mr GARY SWAIN**, DEPUTY SECRETARY, TRANSPORT SERVICES, DEPARTMENT OF STATE GROWTH and **Ms DENISE McINTYRE**, ACTING GENERAL MANAGER, STATE ROADS, TRANSPORT SERVICES, DEPARTMENT OF STATE GROWTH WERE CALLED, MADE THE STATUTORY DECLARATION AND EXAMINED.

CHAIR (Mr Dean) - Welcome, Minister, Gary and the rest of your team. I don't need to introduce everybody as we are well known to one another. I acknowledge committee staff and Margot from *Hansard*.

This is a public session and will be recorded. Parliamentary privilege applies while you are here but may not apply once you leave. If you wish to give evidence in camera at some stage, the committee will consider the request and make a determination.

Minister, you have seen the terms of reference. We have no submission from you but you may make statement to the committee, relevant to our terms of reference and on the matter that we are looking at today - COVID-19. Committee members may wish to raise matters as we proceed.

Mr FERGUSON - Thank you, Chair, and members of the committee. It is my pleasure to be here with you. I am joined by Mr Gary Swain, the Deputy Secretary, Transport Services in the Department of State Growth, and also Acting CEO Infrastructure Tasmania, and also by Denise McIntyre, Acting General Manager of State Roads in the Department of State Growth.

I have a short opening statement to share with the committee about some of the higher-level responses to the terms of reference and to the committee's letter of invitation.

In general, COVID-19 has not directly resulted in material delays to the planning and delivery of on-island Government infrastructure projects. Across all agencies significant resources have been directed towards the response to COVID-19. In many cases this has resulted in additional activity on top of the business-as-usual of agencies, including project planning and delivery. In some cases, and particularly in Health and Communities Tas, conscious decisions have been made to redirect resources, personnel resources predominantly, away from project delivery during the response. That has resulted in some delays to some projects. Some project reprofiling may occur as a result of any of these delays. However, that is expected to be balanced out by bringing forward other projects and new stimulus funding which has been announced by both the Tasmanian and the Australian Governments.

Mr FERGUSON - contd) and new stimulus funding which has been announced by the Tasmanian and Australian governments. The Tasmanian and Australian governments have made significant funding available to bring forward new and existing infrastructure projects and, in some cases, to compress the time frames for project delivery.

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The Tasmanian Government's construction package includes new investments and initiatives expected to support an estimated construction value outcome of around \$3.1 billion over the next two years. In June, the Tasmanian Government announced our construction blitz package to deliver a significant public infrastructure pipeline over the next two years. This package builds on the 2019-20 budget which itself provided for a record \$3.6 billion of infrastructure over the budget and forward Estimates, and in the RER back in January/February that was revised to \$3.7 billion.

The 2019-20 budget infrastructure program included a record \$2.8 billion in general government sector agency infrastructure funding, and \$792 million in equity contributions to support infrastructure investment to be undertaken by government businesses and TasWater. The infrastructure stimulus program accelerates or brings forward government expenditure for a number of existing projects.

On 25 June this year the Australian Government announced additional stimulus funding for shovel-ready infrastructure projects and urgent road safety upgrades. The Australian Government committed \$34.3 million to shovel-ready infrastructure projects and road safety upgrades in Tasmania as part of its stimulus package on the basis of an 80/20 funding split. The Tasmanian Government's funding contribution is coming from the existing budget allocation. We are very pleased to be able to progress those other projects. Many of the projects are now in the marketplace for tender.

The Australian Government has also worked with our councils. In May, the Australian Government committed additional funds and brought forward funding to support local councils to deliver priority local road and community infrastructure projects. These are at the following values - \$16.3 million for local roads and community infrastructure programs, and \$40.7 million to bring forward the 2020-21 financial assistance grant payments.

We are happy to respond to your questions as best we can today. If there are questions that we feel unable to answer today in the detail you need we offer to take them on notice.

CHAIR - That is good, an acceptable position.

Mr O'BYRNE - I have some questions on the infrastructure roll out and your introductory statement. You talk about staff being diverted to other roles and functions. How many staff members were diverted away from your department to other areas, and what functions did they perform?

Mr FERGUSON - I will ask the Deputy Secretary, Gary Swain, to answer but my observation is one that has been made by the Premier and other ministers as well in respect of their own agencies. Health and Communities Tas were the obvious ones that had to operate a different business model for the period of the emergency. That definitely has had an impact on the delivery of their projects. I am happy for Gary to speak to the detail within the Department of State Growth. Quite a range of areas in relation to road user services have had a complete reorganisation during the pandemic emergency because many of those services were suspended.

Gary, I invite you to respond in terms of what they did instead of their usual roles.

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Mr SWAIN - It's very hard to put a number on it because a lot of the time it has been parts of people. If I can sort of talk at a high level three of the main areas.

In the Transport Services group, it has mostly been on the road user service side, not so much the state roads side. In road user services we have had a small number of people who were stood down from their activities in driving assessment because of the distancing rules and being in cars. Some of them were redeployed onto the Business Tasmania hotline. Across road user services, a vast array of issues were being managed because of COVID-19, maybe 40 or 50 issues, if I had to guess. That has been more significant in the business and trade areas of State Growth that has been more significant. A lot of the standing activities have been minimised and that has been the area that run all the loans and grants programs.

Of course, as an agency we have been very involved with the COVID plans and working with peak bodies; so, that has been across the whole agency. People have stopped doing whatever they were normally doing for that activity. We have been very involved with freight and freight continuity. That has taken some of our policy functions offline and refocused them effectively on COVID-policy priorities.

In the arts and creative industries sector there has been, at times, very little time to adjust to additional restrictions around events and how hospitality runs so a lot of the people in Jackie Owen's [TBC] area have been diverted on managing the impact of COVID at short notice, I guess.

On the business services side of State Growth there has been a lot of work around the work, health and safety arrangements for our own staff. Obviously, you have to think about that and moving hundreds of people to work from home. There has been IT implications and all sorts of processes around making sure people are working safely from home and then putting in place management responses around the interactions with those people.

So, it has really been across the whole agency. It would be hundreds of people who have been affected, but I don't know that I can give you a number for how many.

Mr O'BYRNE - What about consultants and your external partners you work with in terms of tendering for businesses and tendering for contracts? What has changed there?

Mr SWAIN - We have operated under the COVID procurement guidelines.

Ms McINTYRE - If I may?

Mr SWAIN - Denise may be able to talk to that better than me.

Ms McINTYRE - In terms of the consultants at State Roads, particularly engaging while people and business have been working from home, there has been no effective impact from COVID. In terms of stakeholder engagement, consultants have moved to new methods of engaging with the community. In terms of being able to undertake the works, the impact has not really been felt except in changing the way they operate.

Mr O'BYRNE - You refer to the construction blitz and the infrastructure rollout. In the March update, which was a part of the May report, there was a significant underspend on financial assets. You budgeted for the year a \$700 million spend but you only actually spent

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\$300 million. Are you able to explain why such a significant underspend in that infrastructure spend?

Mr FERGUSON - Are you referring to the August report or the May report?

Mr O'BYRNE - No, the March update which was a part of the May report.

Mr FERGUSON - I have the August update here, which is the Economic and Fiscal update -

Mr O'BYRNE - Are you happy to talk about the March report? That is the one I asked about.

Mr FERGUSON - It supports the same question in terms of delivery of projects. With Infrastructure Tasmania here, we can speak to government delivery in general terms, but if you have specific questions on individual agencies, they would need to be quite properly put to those respective ministers.

On page 37 of the EFU issued in August by Treasury, it does relate to the variance of purchase of non-financial assets. I can go through those if that is helpful to the committee. If you do have access to them then I am happy to represent them as best I can.

CHAIR - If it belongs to another area then we can accept that. We will obviously go to the right people to be able to provide that information.

Ms FORREST - We want to talk about the impact on infrastructure spending. That is what we are interested in hearing from you, minister.

Mr FERGUSON - I do not want to take up the committee's time with information you already have access to, but it would be fair to say that on page 37, 'the variations from budget of the non-financial assets variations' is not entirely infrastructure but it does cover a lot of that field.

Department of Health: \$79.1 million; they reflect the revision of timing of cashflows for the Royal Hobart Hospital redevelopment, the Mersey Community Hospital, and rural hospitals and ambulance station operators. The Department of Communities: \$28.1 million due to revised cashflows for the Affordable Housing Strategy, housing new projects, and redevelopment of Ashley. TasTAFE: \$21.7 million, which relates to revised cashflows for various TasTAFE campuses, and other training infrastructure assets. DPIPWE: \$16.6 million, which is primarily due to revised cashflows for the Cradle Mountain experience project and Parks infrastructure. Department of Justice: \$16.1 million, due to revised lows for the new Southern Remand Centre. For my department of State Growth: \$10.5 million, which is primarily due to revised timing of roads program funding, which we are well equipped to address if the committee wants to explore those deeply today.

Mr O'BYRNE - There are a number of projects the Government has announced as a part of your narrative around the construction blitz - a number of road projects and a number of construction projects. One of those is the airport roundabout. That has been announced now for a number of years and is now before the tribunal. Could you explain where that project is up to and update the committee on how that is travelling?

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Mr FERGUSON - Sure. It is more than a narrative; it is a funded project that is jointly supported by the federal government. Mr O'Byrne, you refer to it as a roundabout project, whereas it is not that either. The roundabout has already been upgraded but it is a complete rebuilding of the system.

Mr O'BYRNE - It is colloquially known as the airport roundabout. It is the upgrade we are concerned about.

Mr FERGUSON - I am not sure that there is that understanding. The project is not the roundabout; it is the interchange. It is a big difference. I can give the committee the update you are looking for, Mr O'Byrne, because it has been -

CHAIR - If you would and if you could keep it as succinct as you can in the circumstances.

Mr FERGUSON - I will do my best. Thank you.

It is a significant infrastructure project. It is a key element of the South East Traffic Solution, which is a program of projects to improve traffic efficiency. It is definitely needed because people who live in those communities really struggle with the crawl and congestion, particularly during peak periods.

That is, unfortunately, now being revisited by the Resource Management and Planning Appeal Tribunal. It is an active case under way that we may or may not be able to discuss. The Department of State Growth has engaged extensively with the adjacent landowners of 51 Cranston Parade on access over a considerable period of time. Those owners are the appellants to Clarence City Council's decision to approve their development application, which was made by Hazell Brothers.

Hazell Brothers is the developer of this project. It is a design and construct project which has been won at a tender run by State Growth. I might call on Denise in a moment, if there is interest in that in more detail. The part of the contract for delivery of that project is with Hazell Brothers to obtain the development approval and to then design and construct the overall project within the two-year period. It is unfortunately the case that it is with RMPAT right now. That is a reality of life that we need to deal with.

The revised design that I want to speak of in respect of the interchange provides for a high standard, two-way access to the interchange that allows for potential further developments of the property at 51 Cranston Parade. The department is a party to the process at the tribunal. We have to respect that process now. We are hopeful that it is resolved in the way that is supportive to the project going ahead. I am concerned, of course, about any potential delays that may arise as a result of the tribunal process.

There is not a locked-in time frame for the tribunal to make a decision, but we naturally would like it to be done as expeditiously as possible.

Mr O'BYRNE - This project has gone through the Public Works Committee. What was the budget that was approved before the Public Works Committee when it was initially approved by parliament?

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CHAIR - Just before you answer, I am unsure if that comes within our terms of reference.

Mr O'BYRNE - It's about the expenditure -

CHAIR - I am letting it go at this time but we will see what it goes.

Mr FERGUSON - If I could make a few more comments about the project, then I will ask the Acting General Manager of Roads to respond to questions around dollar values at different point in time because the project has grown.

I want to say that the landowners have lodged a formal appeal in the tribunal. They have also said that they will go to the Supreme Court. They have forecast that. Since the appeal was lodged with tribunal, the landowner and his partners have embarked on an advertising campaign in an effort to pressure Government into having taxpayers fund the infrastructure that they say is desirable and required to develop their land.

They want the state, that is taxpayers that we are responsible for, to do things for them, which will be to their benefit and which will cost the state. This was described in the hearing in the tribunal earlier this week by counsel for the state as 'egregious rent seeking.'

In the RMPAT appeal process, the appellants have not been able to produce their required expert witness statements in the time required to meet the hearing date of 24 September.

Ms FORREST - A number of the tribunals were impacted by the COVID restrictions and it slowed things down and they were not holding hearings; has that been part of this process?

Mr FERGUSON - I do not have that advice and do not believe that is the case. However, the tribunal was asked by the appellants to provide an extension or an adjournment, and that was agreed. The appellants requested an adjournment. There was no claim I am aware of that it related to COVID.

If I can just conclude on this as I can sense you would like me to finish. They requested an adjournment; a hearing was held on the 21st to consider whether to adjourn the existing 24 September hearing date. The tribunal did decide to adjourn the hearing to 19 October to allow the appellants' expert witnesses to provide their statements of evidence and a decision on the appeal will be some time after that.

I am also aware the appellants have now lodged a Supreme Court action against Hazell Brothers in another attempt to thwart the project proceeding. These actions are not in the community's interests and the Government will be looking very closely. We are not going to be standing idly by. Government will be looking very closely at that corridor from Sorell through to Hobart to examine what other opportunities there are to accelerate other works so the public is not made to suffer for these legal manoeuvres being undertaken in the tribunal and at the Supreme Court.

Mr O'BYRNE - When did the Government make the decision to join into the action before RMPAT?

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Mr FERGUSON - You have actually asked a different question, which I have asked Denise to answer.

Mr O'BYRNE - Well, you have referred to the court proceedings, relative to the court proceedings.

Mr FERGUSON - I am happy -

CHAIR - Order. I am a bit concerned about where we're going.

Mr O'BYRNE - This is about infrastructure expenditure as part of the COVID response. The Government has said they are going to build our way out of it. This is Government expenditure. They have used this project and other infrastructure projects as justification for their COVID economic response. It is completely consistent and we have asked similar questions of other ministers.

Mr FERGUSON - Chair, if I may say, I am perfectly content for you to manage the meeting as you see fit, but there was a standing question around the Public Works Committee that we are also happy to answer.

CHAIR - I am also conscious of time. If you could answer that question, I would appreciate it.

Mr O'BYRNE - No, that was a question of you, minister, when -

Mr FERGUSON - I am sorry, Mr O'Byrne, you asked a question about the scope of the project at the Public Works Committee, which I am now deferring to Denise and I will -

Mr O'BYRNE - Yes, I did and you then moved on. You then chose not to take it and then explained the legal proceedings. I am asking a question of the legal proceedings. Minister, can you inform the committee of when you took the decision for the Government to intervene and join the action for RMPAT?

Mr FERGUSON - That is a different question. If we are skipping over the earlier question I will invite -

Mr O'BYRNE - No, we will come back to that.

Mr FERGUSON - Mr Swain to respond in relation to the role of the department with the tribunal.

CHAIR - Before we start, you need to be careful about talking over the top of one another. It is very difficult for *Hansard* to keep up and anybody listening in. If you could keep them as short as you possibly can and answer the question.

Mr SWAIN - With that in mind I would like to say we probably have one or two matters a year where there is some planning conflict. Having an issue that goes to appeal where there is a planning dispute is not a factor of COVID; it is a factor of having a big program of work.

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In this one, we joined the action because the department clearly has a direct interest as the funder, the principal behind the project. That was done through our senior counsel, Paul Turner, who was representing the department.

Mr O'BYRNE - When was that decision made?

Mr FERGUSON - By the tribunal?

Mr O'BYRNE - No, by the Government to intervene to join the action.

CHAIR - Then I will need to go -

Mr O'BYRNE - Yes.

Ms McINTYRE - To clarify, it was not a decision of Government as such. As a senior manager in the Department of State Growth faced with a planning appeal against a very significant project, I took the action of taking legal advice from our Crown counsel and we subsequently moved to join as a party as it was considered to be in the best interests of our project.

In terms of notifying the minister about whether or not we had been joined as a party, that did not occur until about 26 August when the tribunal had determined we were joined as a party.

Mr O'BYRNE - So you instructed the SG to take action on behalf of the State of Tasmania without informing the minister.

Ms McINTYRE - It is not unusual for us to -

Mr FERGUSON - Chair, I think you understand exactly what is happening here and I would say -

CHAIR - Yes -

Mr FERGUSON - Can I inform you and the committee -

CHAIR - What I am going to do is to move forward. I cannot see where that fits into the terms at this stage, so I am going to go to Ruth.

Ms FORREST - John was next.

CHAIR - Yes, John was next.

Mr FERGUSON - All right.

Mr TUCKER - Thank you, Chair. I did not think I was going to get a go.

CHAIR - No, you are right.

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Mr TUCKER - Minister, you talked about compressing down the time frames on projects. I was wondering whether you could enlarge a little bit more on that. Yes, enlarge a little bit more on compressing the time frames down on projects. Which projects you have looked at and how you have been able to influence the time frames on those projects.

Mr FERGUSON - Sure can. My department officials here are the experts on the profile of funds but, in short, there are a range of federal government election commitments, particularly in the north-west coast, and I believe also for the South East Transport Solution. I might just clarify that. The federal funding profile was over quite a number of years. In around May or June, our department was in contact with the federal government regarding bringing forward more of that outlay, so it could be achieved in a shorter period of time. I will throw to Acting General Manager of State Roads.

Ms McINTYRE - In terms of a couple of our major programs - the Bass Highway upgrade program - the original cash flow was over a 10-year period with some very little expenditure over the first few years. We have developed up the projects enough to know we could bring them forward. We worked with our Commonwealth colleagues to bring the cash flows forward and did the same thing with the South East Tasmanian upgrade projects, including Midway Point and the Sorell bypass.

Mr TUCKER - Following on, were there any risks associated with compressing these projects and, if there was, how were they alleviated?

Ms McINTYRE - We worked with our consultants to determine what was a reasonable time frame of delivery. The original program had fairly unrealistic - a long lead of projects with small projects being delivered over a number of years. We have changed that profile so there are larger projects over fewer years.

Mr SWAIN - Can I add onto that? So, as a general mitigant to that issue, we have also been moving more and more to corridor level studies. We have about 10 subprograms of work where we look at the entire kind or map all the projects. The idea being if with a large capital program if you reach an impediment on any particular project, you are able to move on to other projects in advance, as the minister was describing before. At portfolio level there are issues that emerge, but we need to make sure the projects all talk to each other in a coherent way and make sense in terms of the objectives they are trying to satisfy, whether that be safety, efficiency or so on and so forth.

Denise has actually led most of that corridor planning work over the last couple of years, which means we are better placed than we were a couple of years ago to do what we are talking about.

CHAIR - On the Midway Point position, where is the Government at with that?

Mr FERGUSON - I will say Denise is the expert on this and doing a marvellous job as acting in the role previously held by Shane Gregory and really giving him a run for his money about which is the better at it. She is doing a fine job and this is one that was brought forward in Midway Point and is currently being assessed. Denise.

Ms McINTYRE - That has gone out to tender and the tenders have come in and it is being assessed at the moment.

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CHAIR - I notice there have been applications coming forward for land acquisition also.

Ms McINTYRE - That comes today

CHAIR - Acquisition as well.

Ms McINTYRE - Yes.

CHAIR - Is a roundabout going to be developed?

Ms McINTYRE - The plan is to create four lanes and traffic signals through the whole Midway Point area with a longer-term view to have that link to upgraded causeways right through to Sorell.

Ms FORREST - Infrastructure investment has been alluded to as a key plank of the COVID-19 recovery. I have a couple of questions about that. We are aware that often you need to get workers from the mainland to fill some of the tasks. How many exempted workers have you had to bring into the state to ensure that work proceeds? What barriers may that have presented in getting the appropriate skills into the state?

Mr FERGUSON - I need to take that on notice and we are happy to do so, noting that predominantly our work is provided by contract to civil contractors and their workforces.

Ms FORREST - I would be interested in them as well because they are doing the work on behalf of the state.

Mr FERGUSON - There may be cases that we are aware of because we might have provided some support to their applications. Anything I can provide through the department to answer that question, I am happy, if you are, to take the question on notice.

Ms FORREST - You may need to take this one on notice too. Are you aware of any delays to projects, or having to reschedule projects, due to being unable to get the necessary workers in, as a result of COVID-19 restrictions?

Mr FERGUSON - I am aware of some in other agencies. Gary, if you can point to any in State Growth.

Mr SWAIN - I think we have had one. I can talk generically to this a little bit as well. The department is now assisting with that border control task by giving some advice around essential workers to the State Controller. It is really looking at whether there are alternatives in the state and whether this is a matter of poor planning or of real necessity. Sometimes that is really straightforward and sometimes it is not. You could have a scenario where someone is doing a fit-out of a retail front and you think you can get a local, but it turns out there is a systems security issue or some sort of specialist skill, so it is not always straightforward.

Sometimes a job can be 90 per cent of the way through so it is not practical to bring somebody in, so those things are taken into account. We now are very involved in that process and I think we are up to 300 over the last few weeks. I could not give you a number but I think the majority would not be successful in the applications and it is a more rigorous test when they have come out of a hot spot. There is more interest in their area history in that case.

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Ms FORREST - The requirement was to look anywhere but Victoria.

Mr SWAIN - Yes, but in general we are not picking up a lot of cases where this has been an issue, especially on the linear infrastructure. It is worth noting if you are dealing with companies, especially the linear infrastructure who have good safety arrangements and safety processes, they are pretty good at responding to this new arrangement and have moved from onsite meetings to virtual meetings. We are hearing a lot of that from the contractors and also back through the CCF. The other thing that has kept the number down or the significance of this issue down is the responsiveness of the industry, which is has been quite impressive.

Ms FORREST - Can you provide a bit more data around that at a later time?

Mr FERGUSON - More than happy to do that. The Deputy Secretary's comments make an important point. Our contracting community in Tasmania was given a very clear message by Government and by their own commercial objectives to keep working, but to do so in a COVID-19 safe way. That presented significant challenges as you are aware. They have done a magnificent job and with some disruption along the way, but more or less they have been able to keep with the program and keep our infrastructure program moving extremely effectively. They have taken the extra stimulus on board and have been very keen to deliver that program for us. We will take your question on the specifics on notice.

Ms FORREST - Another question you may need to take on notice - what is the number and percentage of your workforce who have been able to work from home?

Mr FERGUSON - The Department of State Growth?

Ms FORREST - Yes.

Mr FERGUSON - Certainly.

Mr SWAIN - I do not have that with me but I know we have it. I have seen it in an executive report.

CHAIR - We will write to you if these questions are taken on notice.

Ms FORREST - As you are the shareholder minister for TasPorts and TT-Line, what discussions and what role have you had to play in securing the boundaries? TasPorts is a port of entry for people coming from places outside of Tasmania. We have heard from the CEO of the TT-Line, who has been in, and we have talked to him at some length. You may wish to comment on the implications of the COVID-19 response there from your perspective as minister.

Mr FERGUSON - TT-Line is the most obvious one because they are actually a transport provider as well as providing for our Tasmanian producer sector to send their goods to market. TT-Line has been an extremely cooperative during the emergency response, particularly given they had to cancel a lot of bookings and respond to Government policy following on from Public Health advice. We have been in regular contact with TT-Line - on occasion, contact was made multiple times in a day - about helping us to lock down our borders when we needed to. It was extremely challenging and TT-Line management, in particular the CEO, are to be commended for the way that responded. It was very difficult, because they had to be the ogre

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for quite a lot of people who had to be told things they did not want to hear, about getting into the state. They were also active in taking visitors out of our state in late March or early April, when people were being told they need to go home and needed to make a booking within a certain time frame.

TasPorts has been in a different way very instrumental as well. We have been in regular contact with TasPorts management around the potential risk of the virus entering the state on ships that were calling into port at different time. They have been instrumental in ensuring that the Public Health directions from the director were being complied with. Again, that was difficult for crews on board ships being told they could not disembark, for example.

Ms FORREST - There was also a time where cruise ships were still coming into the state. I know they stopped fairly early on, but did you have a role in those decisions as minister, or was that entirely a TasPorts Board and management decision?

Mr FERGUSON - We were certainly involved. I would have to check my records from back in the day, but it was Public Health directions. They did not need me to convey the message. It was being communicated very directly through the State Control Centre with the State Controller. We were informed and were kept abreast of developments because they were changing multiple times in a day at times. TasPorts was very responsive and it was really about the Public Health advice, rather than my particular wish.

We could very quickly encapsulate the importance of our freight and infrastructure round tables. We have been convening those and TT-Line and TasPorts have been involved on a regular basis.

Ms FORREST - It would be helpful to have some more detail around the impact and the actions they took to mitigate the risk of not getting freight into the state but also keeping the virus out.

Mr SWAIN - The forums the minister convened have all the key players around the table - the freight forwarders, TasRail, TasPorts, SeaRoad, TOLL - and it enabled a conversation about what everybody is doing to maintain security. They had to check their own workers and that has been very useful. It has shown we are lucky that 99 per cent of our freight by volume comes by sea, because the supply chain has been very robust and where we have had any challenges they have largely been events outside of Tasmania, like Victoria. The general level of communication between the different players has been helpful.

Ms FORREST - That was set up in response to COVID-19?

Mr SWAIN - It was. Also TOLL and SeaRoad had very few drivers who travelled with a truck, so there has only been a half a dozen a day. The vast majority stopped so a new driver could pick up a truck on the other side. That also meant we avoided some of the challenges other jurisdictions have had, of literally thousands of truck drivers crossing borders to maintain secure supply. It has really assisted us.

Mr FERGUSON - We might provide the committee with a summary of the way in which that supported the Government, and indeed, not just the Government, the state's response during the emergency - in particular, how different players in the transport sector were able to help each other through their different challenges.

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Mr DEAN - That would be good and we will include that.

Before I go back to David, you mentioned in your opening some delays to some projects as a result of COVID-19 and the issues there. Have we caught up? Are we now up with those projects that were delayed? Are we in front now, moving forward with new projects to stimulate the environment? What is the position there, minister?

Mr FERGUSON - Actually, I don't know that we would be prepared to say that they were all COVID-related. The few projects, and I do mean the few, in State Growth and in Roads Program that were experiencing delays - Denise, unless you would like to say otherwise - have not been COVID related.

Ms McINTYRE - No, generally, weather related. We had one project on the west coast, the Henty main road, that couldn't be completed because the specialist team needed to be brought in from the mainland and they weren't able to be at the time. The other projects have been delayed because of weather conditions. For example, Murchison Highway, as the minister mentioned wasn't able to be completed because of rain. The Mowbray Connector suffered the same. The rain came at the time when we needed to be able to seal and have dry weather.

Mr SWAIN - In terms of stimulus and replacement projects, there are interactions with the Commonwealth and their own planning. We have been looking for projects that can be brought to market as quickly as possible so they don't need an approval or they already have it, or they don't need a design, like shelter widening and things like that, or it is a replacement of like with like. We have been trying to identify those projects that are most rapidly deliverable in terms of the stimulus activity. As have most jurisdictions around the country, particularly in dealings with the Commonwealth.

Mr O'BYRNE - I do have a couple of questions around the TT-Line. Before we do them, I would like to clarify. I don't want to verbal evidence as provided before the committee provide by witnesses. In the previous exchange, I asked if you had made the decision to instruct the SG to intervene in that infrastructure project; that you didn't consult with the minister on it. I wanted to clarify that you said it was your decision and you didn't consult. Or did I get that wrong?

Ms McINTYRE - Just to clarify, it was my decision to seek advice from the SG. The decision was made to take the action to join as a party.

Mr O'BYRNE - In consultation with the minister obviously, because it is Solicitor-General?

Ms McINTYRE - In consultation with the minister.

Mr SWAIN - We were in dialogue with the minister through the several weeks that these events were unfolding and in regular discussion around the detail.

Mr FERGUSON - Chair, you may or may not be aware but Mr O'Byrne in the House of Assembly, I wish to inform the committee -

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Mr DEAN - I don't want to enter into any 'squabbles', if I can use that word, between the two of you. If this is to further the answer to the question that was asked I will hear it. If not, we will move on.

Mr FERGUSON - I feel that the committee deserves to know that this has been extensively discussed in the House of Assembly. What Mr O'Byrne has alleged is misleading. I wish to simply say that at no stage have we stated that the Government is not involved. We have discussed in parliament that the parties to the appeal are the landowner and developer as the appellant, the Clarence City Council as first respondent and Hazell Bros as second respondent. In question time on 26 August I updated the House on the development that the Government, through the Department of State Growth had become a party at the tribunal.

CHAIR - Thank you, minister. We will move on.

Mr O'BYRNE - In relation to TT-Line we have had evidence from the CEO Bernard Dwyer around the board's position on the replacement vessel program. We have heard from the tourism industry about their view about the importance of those vessels and the vessel replacement to their industry and to the future. There is unequivocal advice from TT-Line that their view is that their plan was the one that they believe in.

Minister, you've said that all options are on the table. The criteria that TT-Line originally used to assess on a number of occasions the opportunities was for 'the best replacement' from Australia or from Europe or from wherever the global search took them. They said that was their key mantra in terms of criteria and the measuring up of any proposal. Is that criteria being used by the task force that you've appointed?

Mr FERGUSON - Can you repeat the part where you're asking about criteria?

Mr O'BYRNE - TT-Line said they had criteria in terms of assessment of vessel replacement. We asked the question of the CEO if that was being consistent with the task force and he said that was a matter for Government.

Mr FERGUSON - It's actually a matter for the task force. TT-Line CEO Bernard Dwyer is in fact a member of the task force that's been established by the Government. We don't know exactly what the task force will recommend to Government. That's the very point of it, and we look forward to their advice.

Mr O'BYRNE - Who appointed the members in the task force?

Mr FERGUSON - The Government.

Mr O'BYRNE - State or federal?

Mr FERGUSON - The state Government.

Mr O'BYRNE - The only person with either tourism or boating experience on that task force is Bernard Dwyer from the TT-Line. In his evidence he made it very clear that they believe that their plan was the plan to go forward with. Why are you not seeking either tourism advice or boatbuilding advice? Or, in terms of the committee membership, why have you not chosen to put someone on that committee who understands boatbuilding, understands tourism,

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apart from, obviously, Mr Bernard Dwyer himself, or even export freight with freight exporters out Tasmania?

Mr FERGUSON - I believe I announced the task force establishment on 12 August or a date very close to that. The task force has a job to do. It is chaired by Tony Ferrall. That has significant capability and it does include TT-Line's CEO. The public can make their points known to the task force as well. The task force is about recognising, Mr O'Byrne, something that your party is unable to come to grips with, that we are in the midst of a global recession. The industry that builds ships around the world has been smashed and there is potential significant opportunity. We intend at the end of the task force process, and when recommendations are made to Government, that we go to market for ships that are fit for purpose for Bass Strait and for TT-Line. You can read into that our tourism and our primary production sectors - fit for purpose, but also looking for -

Mr O'BYRNE - Does that include the criteria that TT-Line -

Mr FERGUSON - If I may answer.

But also looking for an outcome that has maximised local jobs outcomes. We've been really clearly about this.

We continue to face the scrutiny and the false claims of the Labor Party on this. But we have a task to do and we look forward to the advice of the task force. If we can find an outcome that sees us purchasing ships that yield greater Australian and Tasmanian jobs then that's our job.

Mr STREET - Mr O'Byrne selectively quoted the TT-Line CEO. In that hearing he also pointed out that he thought it was a prudent decision of the Government's, given the circumstances that we're currently in, to form the task force and have another look at the procurement of those ships.

Mr O'BYRNE - That didn't change -

Mr FERGUSON - Try to respect the process -

CHAIR - Order. One at a time. I want to try to move away from any conflict that's starting to develop. We don't want that. That's not what this committee is about. I'm not sure if there was a question in that. I think it was a statement but I'll come back to the last one. I'm not going to let this go too far because I think we've covered it before but I'll let you have one point.

Mr O'BYRNE - We asked the question of TT-Line in terms of the money they've expended in the last financial year. They provided evidence that they'd been working on this for a number of years. They said that \$3.4 million had been expended on the vessel replacement program to date. Minister, is that wasted money? Have you a budget for the work of the task force.

CHAIR - I will allow that question because it's a reasonable question in the circumstances and where we're going.

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Mr FERGUSON - I feel sorry for your committee that you have to tolerate this behaviour from one of your members. The simple fact is we've been through all this in our House -

Mr O'BYRNE - Because you don't like answering these questions it doesn't mean you have to -

CHAIR - Order, minister. Calm it. I cannot allow this sort of thing to happen and continue, because we will not get where we want to get. It is not right this happening and those comments being made. Please restrict your comments to answering questions. I will try to get people to stick to the terms of reference in asking those questions.

Mr FERGUSON - That is great, Chair. My issue is we have actually been through these issues extensively in the House of Assembly -

CHAIR - Order, again. The question has been asked here now. I do not think it matters that you have gone through it down there. Could you just answer the question here and now for this committee? I would appreciate it.

Mr FERGUSON - If I could just be allowed to finish my sentence, which is we have been through this extensively in the House of Assembly and in the media. I have been asked on numerous occasions about the outlay the TT-Line has made in respect of the FSG contract, which was separated from, as well as the memorandum of understanding with RMC directly to answer the question.

In relation to the \$3.4 million my advice is it is not wasted. It remains part of the project.

Mr O'BYRNE - Is there a budget for the work of the committee, though? Is there a budget for the work of the task force?

CHAIR - That is a fair question: is there a budget for the task force?

Mr FERGUSON - The Department of Treasury and Finance is providing secretarial support to the task force.

Mr WILLIE - With respect, Chair, this is not the House of Assembly, so the minister keeps referring to debates in that place. This is the Public Accounts Committee and we are quite rightly able to ask questions of the minister.

CHAIR - That was the point I was making, so thank you for that.

Mr WILLIE - I have a question. Minister, you talked about the task force being Government appointed. You must have a fair idea on the criteria they are working from? The CEO of the TT-Line said the criteria they used - or the board used - were economics, experience, building specs and building slots. Are you able to confirm the task force is working to the same criteria?

Mr FERGUSON - Look, the task force is looking for a way of taking the same procurement attitude and the fit-for-purpose requirements for Bass Strait and the needs of the

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business, to a model that procures the greatest possible opportunity for Australian and Tasmanian jobs.

Mr WILLIE - So you do not know if the task force is working to the same criteria?

Mr FERGUSON - I have just made the point the task force is looking at how the same procurement achieve the objectives of the vessel replacement program in a way that maximises local jobs. The intention is to look for capability, including development of capability in this country and in this state. It is an intention of looking for Tasmanian jobs - if we can - and absolutely maximising Australian and Tasmanian jobs, strongly supported by the Australian Manufacturing Workers Union.

Mr WILLIE - That statement you have just made is under those criteria: experience, economics -

Mr FERGUSON - I would be happy to take on notice anything further I can in relation to that, including the terms of reference would be useful to the committee.

CHAIR - Thank you for that. That will be taken on notice, that question.

Mr WILLIE - The last thing I will say, Chair -

CHAIR - As long as it is a question, because I have another question from John.

Mr WILLIE - I think those criteria are quite important, because the evidence the committee has heard is if the task force moves away from those criteria, the risk profile will significantly increase and that is a matter for shareholder ministers. Is that something you are comfortable to entertain?

Mr FERGUSON - No, I am not entertaining your political assertion. I am entitled to answer.

Mr WILLIE - I am testing evidence that's been heard by the committee, minister.

Mr FERGUSON - I feel like I need an opportunity to respond. I have offered to take that question on further notice, including providing the terms of reference.

CHAIR - No, I am going -

Mr WILLIE - Chair, I am talking about the risk profile.

CHAIR - I am going to cut it off because the minister is going to take this on notice, with also a provision of the terms of reference for the panel. If that comes back we can always call the minister back again and that may well happen.

Mr WILLIE - With respect it was a question about risk profile.

CHAIR - Just ask the question because we are running close to time and John has a question.

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Mr WILLIE - If the task force moves away from those criteria, the question is are you comfortable with an increased risk profile?

Mr FERGUSON - I think I understand where you are coming from. The task force does not rewrite the terms of the purchasing criteria. What they will be doing is making recommendations to Government. It will be the Government that makes decisions on the basis of that recommendation. We do not know what those recommendations will be yet, because the task force has only just got started. It was commenced on 12 August. We want the task force to be allowed to get on with its job, without more interference and just allow it to look at those opportunities, particularly to explore the capability that exists. We know what the capability is in Finland - that is established - but we want to establish what is the capability in Australia.

CHAIR - Thank for that. I go over to you, John.

Mr TUCKER - Thank you, Chair.

CHAIR - And then we come back to Ruth.

Mr TUCKER - Minister, in life I run into a lot of people that are half-glass-empty and some people are half-glass-full. I am on the half-glass-full side of life. What benefits have we seen with COVID, such as less office space - how do you say - from people working from home. That has been the suggestion with other things with people. What have you seen within the -

Ms FORREST - What opportunities are there.

Mr TUCKER - What opportunities and what benefits, yes.

Mr FERGUSON - Gary might have already hinted at it, and will invite him in a moment to answer your question more fully in terms of how State Growth, as an individual in a government agency, has been able to look after its own staff, and have social distancing in our offices and work sites in order to minimise the opportunity for the virus to spread. Part of that has been encouraging people to work from home as part of their usual duties., to still try to maintain their usual work productivity, but from their own work site at home. Gary, how has that gone?

Mr SWAIN - If you took a poll of the managers around State Growth, the general feeling would be the flexibility arrangements, or the acceleration of, or availability of flexible arrangements, has increased productivity. A lot of people are now doing the hybrid model, where they might be one to two days at work and three days at home or vice versa and some variation. Across the board we have had a very good response from this so we have put in place measures that make sure managers are still talking to people so those people do not become isolated and work independently.

Generally, it has just worked remarkably smoothly and made us think very differently and as the department think how much we want to go back to the world before. We have not gone as far as looking at hot-spotting desks and things like that, because of the sensitivities around COVID itself. This is something we might consider in the future if you have people coming in. People have retained their office space and we have not realised a gain in the short

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term from rationalising space down. Obviously, at the moment with the Victorian situation and the real prospects of hot spots anywhere in the country, it is probably a bit early.

But what is true is we seem to be part of a discussion in the State Service about perhaps what the new norm might be and how we can work differently in the future. It also opens up greater possibilities for people who perhaps do not want to be in Hobart, if you are working around the state.

Ms FORREST - I can understand that.

Mr TUCKER - We are reducing congestion and things like that with people on the roads. Also, the other thing that came through to me with what you are saying about family life with people working from home, making it easier in that regard. Has there been much commenting on that?

Mr SWAIN - It has pros and cons on that. Some people have really enjoyed the experience; some people have found it difficult to know when to cut off work. So it is a bit of an individual consideration. Certainly, something like congestion which is obviously something I think about a fair bit with my Dep Sec hat on, it has probably broadened our thinking about the ability of flexible work hours within bigger departments. A lot of the reasons you can not do it en masse are demonstrably not true because of several months of COVID.

CHAIR - Thank you. You are right, John?

Mr TUCKER - I thought Ruth was next.

Ms FORREST - I might follow up and ask another question. With that increased productivity Mr Swain has seen, do you believe it is sustainable? I know my productivity during our break, I can tell you I do not want to maintain that level of output. I can tell you that now.

Mr TUCKER - I would agree with you.

Ms FORREST - Yes, that is right, because that was absolutely unsustainable. Is it sustainable when things are sort of back to a more normal way of doing things? When you provide the details about the number of staff, I would like a gender breakdown on that.

Mr SWAIN - The working from home is separate to the sustainability question. In general, lots of areas across the State Service have worked at a pace which you could not maintain on a perpetual basis. If you looked across the State Service I suspect you would find we have borrowed some labour from the future. So there has been a decrease in the takeup of leave and there will be some need to catch that up. The State Service ramifications of COVID will continue a year or two beyond the actual event of COVID.

Ms FORREST - Our State Controller is finally able to have some time off, if I have read the *Gazette* correctly today. I want to take you to terms of reference of the time and efficacy of the Government's response. Are there aspects you think could have been done better in the roll out of money for infrastructure? Are there any unfunded projects or any things that could have been supported, funded or whatever, missed in that process? It is a retrospective look,

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but I am interested whether you think it was well-targeted or whether there were gaps? That is a lesson for the future.

Mr FERGUSON - It would definitely be lessons learned and things could be done better with the benefit of hindsight. I am very open to that. I cannot think of anything at the moment, because the packages we took as a Government through three rounds of social and economic stimulus were very comprehensive in their nature. It would be an interesting conversation to have with you and to reflect on later. I will take that on notice as well because when you look at education, health, communities, housing, construction, and public infrastructure, we try to touch all the contact points in the Tasmanian economy, in the way our community operates. If you look at the short-term stimulus measures, including those provided to non-government organisations, we did try to cover the field as much as we could to keep the state moving, to keep people connected, and organisations alive that will have lost a lot of their revenue.

It is a matter of record that the state has the highest level per GSP of any other state, in terms of our packages. I will happily take it on notice with the appropriate humility you always do things better with the benefit of hindsight and will give that some thought. We are still a long way to go because in terms of those projects and the program itself, it has a long tail. After all, our construction blitz is a two-year one. There is a long way to go on this, but as we see things like HomeBuilder being rolled out, 74 applications as of yesterday have been pre-approved. We are starting to see some solid numbers around the impact it is having and we will keep an eye on that.

Ms FORREST - You would like to wave your gender lens over that to see what projects and stimulus has been provided does directly impact and assist women.

Mr FERGUSON - The Premier this morning gave some jobs figures and indicated the jobs growth that had occurred for women in Tasmania. It is a good question and not saying we have done everything perfectly, but I cannot think of any apparent gaps to me right now.

Mr O'BYRNE - One last one. When was the decision made to reject the advice from the TT-Line about the replacement vessel and to seek this other pathway?

Mr FERGUSON - I am happy to take it on notice because if you meant me to say there is a broader agenda at play from the opposition, I will take it on notice and will provide it to the committee.

Mr DEAN - Take it on notice, that is good.

Mr FERGUSON - I will provide what I feel is appropriate and permissible.

Mr DEAN - You said there were 76 applications?

Mr FERGUSON - Seventy-four applications for HomeBuilder that have been pre-approved. That includes the renovation boost.

Mr DEAN - How many applications have you had for the renovation side? There are two separate areas here.

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Mr FERGUSON - I keep a close eye on this. As at 21 September, the State Revenue Office, which administers the scheme on behalf of both the Australian Government and the Tasmanian Government, has received 305 HomeBuilder Grant applications for new builds and 47 applications for substantial renovations; and 74 applications have been through the process and have been pre-approved by the State Revenue Office. When I say 'pre-approved', that is an indication to people they are good to go but they still need to meet their eligibility guidelines on an ongoing basis.

Mr DEAN - Thank you very much to you and your staff. We may well ask you to come back at a later stage. This is going to be an ongoing matter for some time because of the recovery process and so on. The committee is endeavouring to get an interim report in to the Government prior to the end of the year. We will be working on that also to identify a lot of important matters that have already come out of this committee. That is our intention and I am confident we can do it.

THE WITNESSES WITHDREW.