



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Peter Gutwein MP

Tuesday 24 November 2020

MEMBERS

Hon Ruth Forrest MLC (Chair)
Hon Mike Gaffney MLC (Deputy Chair)
Hon Sarah Lovell MLC
Hon Dr Bastian Seidel MLC
Hon Rob Valentine MLC
Hon Meg Webb MLC

WITNESSES IN ATTENDANCE

Hon. Peter Gutwein MP, Premier, Treasurer, Minister for Climate Change, Minister for the Prevention of Family Violence, Minister for Tourism

Ms Jenny Gale, Secretary, Department of Premier and Cabinet

Mr Todd Babiak, Chief Executive Officer, Brand Tasmania

for example, restoration of furniture and furnishings in storage for reuse; a conversion of a cold cellar into a wine cellar; cataloguing of appropriate shelving; reinforcement of retaining walls; and heating.

Tony Ferrall, Secretary, Department of Treasury and Finance

James Craigie, Deputy Secretary, Department of Treasury and Finance

Andrew Finch, Chief of Staff, Premier Gutwein's Office

Mandy Clarke, Deputy Secretary, Department of Communities Tasmania

The Committee met at 9.01 a.m.

CHAIR (Ms Forrest) - Thank you, Premier. Day 2, your last day, is it, today for Estimates? Not for us. Welcome, you know all members of the committee on our side. I'll just ask you to introduce the other members of your team at the table for Hansard, and then invite you to make a fairly brief opening statement.

DIVISION 9

(Department of Premier and Cabinet)

Mr GUTWEIN - Thank you, Chair. To my right is Jenny Gale, Secretary, Department of Premier and Cabinet; to my left, Andrew Finch, my Chief of Staff.

I'll just give a quick overview without taking up too much time. The Department of Premier and Cabinet is the central agency which directly supports me as Premier. Importantly, this year we know that 2020 has been a year like no other, and it's true for our state. DPAC has played an integral role in the Government's response to the COVID-19 pandemic. The department is the responsible agency for emergency recovery under the Emergency Management Act, and is also responsible for public information communication, policy advice, interoperability arrangements for critical technology, infrastructure and call centre arrangements.

Our 2021 Budget covers a range of measures to support the work of the Department of Premier and Cabinet to focus on building resilience in the wake of COVID-19. Also ensuring we have a contemporary public service that strives for client-centric service. Yesterday you'd be aware that I tabled the interim report of the State Service review and that's now publicly available on the DPAC website. It's never been more important to ensure we have a Tasmanian State Service that is able to provide the leadership advice and support required to ensure Tasmania thrives on the other side of this pandemic.

While the interim report highlights the many strengths about the State Service, it also provides some early insights into how we can transform the State Service to respond to future demands as one State Service, working together sharing resources. The final report will be made available to the Government in March, and we'll consider the recommendations then. In terms of the year just gone, I want to thank the hard-working people of the Department of Premier and Cabinet for their efforts. Not only as support to our current response and recovery but in their ongoing support of me as Premier and of the Cabinet's work that they do every day.

The other point I'd touch on briefly, as its members would now, yesterday I announced I'd spoken to Her Excellency the Governor and informed her of my intention to recommend that she establish her commission of inquiry under the Commissions of Inquiry Act 1995 to investigate the responses of Tasmanian government agencies in relation to the management of historical allegations of child sexual abuse. That inquiry will commence in early 2021. I want to be mindful that the inquiry will complement and not substitute the work of the Royal Commission into Institutional Responses to Child Sexual Abuse. The agency's specific investigation that's currently under way will continue until the commission of inquiry is established and all information gathered would then be rolled into the commission of inquiry.

Chair, I thank you for your indulgence. I look forward to the committee's questions.

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CHAIR - Premier, I note the report that you said was released yesterday. I couldn't access it all. I don't know if anyone has tried since. Are you able to table a copy of it now? The website wasn't working even when I tried late last night.

Mr GUTWEIN - Of course we can table it. I'm not sure why that wasn't online. The review?

CHAIR - Yes, that'd be great.

Mr GUTWEIN - Yes, absolutely happy to have that tabled.

CHAIR - If you could check the link. Someone's on that already, yes. That would be good. In terms of overview questions, because strategic policy advice covers all the advice that's given, we might say those things, because if there's any information we need to take on notice, we can do it under that line item. Otherwise there's no line item. They'd have to be questions. We'll get to that.

Ms GALE - All right. Over to questions then.

CHAIR - Yes.

Ms GALE - Which one?

CHAIR - That's the first 1.1, after we do Brand Tasmania.

Ms GALE - Sure.

CHAIR - Premier, we'll come back to a lot of those points that you made in your opening statement. Our first line item is Brand Tasmania as you would have seen from the schedule.

Mr GUTWEIN - I don't have your schedule.

CHAIR - It was sent to you, no?

Mr GUTWEIN - No, I don't believe I have your schedule. I was just intending to work through our groups.

CHAIR - We can move Brand Tasmania back if you want to actually get someone else here to provide any information about that.

Mr GUTWEIN - Todd is here. I'm sorry for not bringing him up to the table.

CHAIR - If he's here we might as well deal with it and then he can go. It might be the easiest thing.

Mr GUTWEIN - Yes. I wasn't aware. If you've got a schedule I wouldn't mind seeing it though.

CHAIR - It's got an indicative time schedule on it too, Premier.

Mr GUTWEIN - The link is apparently working now.

1.1 Brand Tasmania -

CHAIR - It is? Right, thank you. Okay. Brand Tasmania is obviously important. It's a statutory authority, I think. Is that how it's classified as a statutory authority for Tasmania?

Mr GUTWEIN - Yes.

CHAIR - I'm interested in the impacts of COVID-19 on the work of Brand Tasmania. Tourism is going to be part of Brand Tasmania, and that's already taken a hit. I'm interested in what impact it's had and how that impacted, if it has at all, on the delivery of their strategic plan.

Mr GUTWEIN - Would you like to make any opening comments on Brand Tasmania and then hand over to Tom?

Ms GALE - Thank you, Premier. Brand Tasmania is a statutory authority and the Brand team has been doing some fantastic work, Ms Forrest, even over the COVID-19 period. We have the CEO of Brand Tasmania here this morning, Mr Todd Babiak. Brand Tasmania is assisted in its work through administration through the Department of Premier and Cabinet but acts as an independent statutory authority.

Mr GUTWEIN - Regarding your question, Todd's probably best placed to explain how they've managed through the COVID-19 period.

Mr BABIAK - Thank you, Premier. He cleverly sent us a note at the end of February, we were due to present our corporate plan for the year, and he said, 'I'd like to see version 2, thinking about COVID-19.' We thought, 'Well, we have a strategic plan. We want to do what we want to do anyway', but he asked a good question. We thought really hard and we started thinking about what are the opportunities and challenges that we have in this moment, and we are thinking the first couple of years here about unification. Making sure that if we are telling our story to one another, building the Tasmanian brand, we have to bring everyone along. All aspects of government, the private sector and the community.

An advantage for us, I suppose, is when people stepped back they weren't on the hamster wheel of constantly preparing for what comes next, what comes next. It allowed us to slow down a little bit and think about how we can help you, how we can educate all our partners to prepare for coming out of COVID-19. Will there be an advantage for Tasmania? The brand that we identified really is about small business, humanness, opportunities to do something special and different in a world that feels the same. This taps really nicely into the healthy - I think clever way that we have - and difficult way we responded to COVID-19.

What we're preparing now is mid-next year having this external story telling for the first time to our customers around the world in trade, tourism, workforce attraction, investment attraction and student attraction, really narrowing down on who our audience is, who will come to Tasmania, who will invest in Tasmania and how can we move them to come.

CHAIR - You're saying that you are going to update your strategic plan 2019 to 2024; is that what you're suggesting?

Mr BABIAK - It's our corporate plan. The strategic plan actually works nicely for what we're doing. What changed is what we were planning to do in a COVID-19 free world we have to put on pause a little bit and do something different and pivot, and it's gone quite nicely. We are doing our work mostly through projects, and the projects themselves work just as well. We have been able to accelerate them because of the time provided by COVID-19.

CHAIR - So what, sorry.

Mr GUTWEIN - The point I was hoping to expand on as well, we've had a number of conversations over the last nine months about where Tasmania has landed in respect of COVID-19 and our view of Tasmania for externals being a safe place. What does it mean? How do we actually build on the fact that through this period, we have become one of the safest places on the planet? What does that mean in terms of our brand? How do we amplify that message?

CHAIR - Yes, that was my question. What are the opportunities that this has brought, and how are we going to maximise them?

Mr BABIAK - For example, there are a lot of people - small business, small and growing businesses in the big cities of the world, not only in the mainland, but around the world - who may be looking for opportunities like this where their families might feel safe. They have a great idea for a business. They have a profitable growing business. Maybe you want to invite them to be a part of what's happening here in Tasmania. That's just one example. If we were thinking about doing that in two years, maybe we do that more quickly. We identify them and invite them to come to Tasmania. We can put some KPIs around it. That's one example. How can we -

CHAIR - International travel plans may be a bit of a challenge and barrier to that, but anyway.

Mr BABIAK - Right. Yes, exactly. We're just preparing for what comes next. We have to make sure we get the pitch right, as the Premier says. There is a story we can tell. It's compelling and it's different from almost everywhere else in the world. At the moment, we have very few competitors with what the Premier is talking about. We can, if we're clever, get that investment story, the workforce attraction story, population growth story out there.

Ms WEBB - I'm just interested to hear a bit about how that work around the Brand Tasmania strategic directions and maybe readjusting time frames and things for COVID-19 fits in alongside the PESRAC process, and where is the intersection between what's been pursued by PESRAC and how Brand Tasmania are carrying that forward?

Mr GUTWEIN - In fact with the PESRAC process, it would be fair to say is at arm's length from me, but I know that others engaged with PESRAC probably have reasons for them to talk through that engagement. PESRAC's focus at the moment - and I have to say the feedback that I've been receiving in terms of their consultation has been outstanding. I don't know if anybody else has had feedback, but a couple of unsolicited comments which have been

made to me about the processes that people have been engaging in have been described to us as being simply excellent, which is pleasing.

PESRAC's focus will be to prepare options for me to consider and recommendations in the lead-up to next year's budget with a two- to five-year focus is what I've asked them to focus on. There will be some big picture thinking in that as well, but practical things that we can give life to in the coming budget is what I've invited them to do.

CHAIR - In this space we're talking about at the moment?

Ms WEBB - Yes, I specifically wanted to understand the connection.

Mr GUTWEIN - Todd can talk through his interaction.

Mr BABIAK - We have worked with PESRAC a little bit on brand lens thinking. How do we bring the Tasmanian Brand to life with the decisions we make in this period? We are asked by PESRAC through lots of work with them to give them a bit of an idea of what we would think opportunities might be. We've talked about incubators. If you think about agricultural, maybe even creative cultural industries, renewable energy, advanced manufacturing, how can we get people working on new and exciting businesses, support them with this really connected culture we have and start more and more businesses from small businesses in Tasmania? That's one thing. Youth Enterprise, getting this small business thinking even into our school system, so perhaps every child graduates year 10 with a business plan from Tasmania. Whether that's business, arts or culture.

Ms WEBB - We don't graduate year 10, Todd. We graduate at year 12.

Mr BABIAK - We do 11 and 12. Well, obviously they told us - we said 12. They said make it year 10 because years 11 and 12 are focused so much on these exams.

Ms WEBB - Don't talk about graduate though because all our year 10s are going to go on to do year 11 and 12. A lot of focus on that for quite a while.

CHAIR - They transition to senior college.

Ms WEBB - No, we're moving away from that too. We transition straight in.

Mr BABIAK - Well, I mean transitioned into TasTAFE and University of Tasmania with the same brand thinking so that you can graduate.

CHAIR - In Finland, they do that year 5 and 6.

Mr BABIAK - Yes. We all taught a year 6 and a year 10 project. That's what I think all of our consultation with people has suggested, so that's just an example, and PESRAC may be interested in that. It's something small we can do. It's not expensive. It's already there, and it's just bringing the brand to life through that. This small business attraction which I was telling you about is something we can help with down the road. How can we attract business travel, business events here with Tasmanian thinking, not just our wonderful tourism opportunities? What we tried to do with PESRAC is use small ways to bring the Tasmanian

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Brand to life. That decision we're already making, just making them even more focused and more powerful.

CHAIR - It would also be good to see if Tasmania is seen as an arts and cultural hub rather than just focusing on business, which we seem to do a lot of.

Mr BABIAK - Sure. The culture and creative industry strategy which was released last week, they're one of our great partners. If you look at that, you'll see how the Brand Tasmanian is coming to life through our partners, and that's an example. Their story, the culture story is what we worked on with them, bringing the Brand Tasmanian to life. You can see the look and feel what they're going after is exactly what we're going after, so we're working really closely with cultural and creative industries.

CHAIR - Did you have something else?

Ms WEBB - No, that's okay.

CHAIR - Anyone else on Brand Tasmania?

Ms WEBB - Yes, I've got one more thing not associated with the strategy side of it, and it's really just a check-in around - Brand Tasmania's broad objective is developing, maintaining, protecting and promoting the brand that's differentiated and enhances our state's appeal and competitiveness. I know that one of the unique things which is special is our moratorium on genetically engineered food and crops. I wondered, is that part of the focus you put in our agricultural space and in the unique proposition which you are presenting to try to attract industries and new projects?

Mr BABIAK - Absolutely. It's in that package of differentiators we have. What we try to do is use Tasmanian culture, the decision we made to protect the GMO-free status, for example, like the decision we might make in order to make sure it is value added, it's special, it's boutique, it's better, it tastes better, it looks better in this clean, special place. These are all aspects of the Brand Tasmania, but we do want to focus on Tasmanian culture, the reasons we make those decisions and why those products are worth more in the marketplace, just simply because they're Tasmanian.

CHAIR - It's been a constant battle to keep that GMO moratorium in place.

Ms WEBB - It's good if it's part of our very confirmed brand identity, then that helps it stay there. That's why I was checking in around how it's present in what you're doing in Brand Tasmania.

DIVISION 9

(Department of Premier and Cabinet)

Output group 1 - Support for Executive Decision Making

1.1 Strategic Policy and Advice

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CHAIR - Great, thank you. We'll move onto output group 1.1, Strategic Policy and Advice. We might also do some of the broad overview questions here, Premier, because it covers strategic policy and advice in relation to COVID-19.

Ms WEBB - Can I keep going?

CHAIR - Have you got a couple of overarching ones?

Ms WEBB - I've got a few overarching ones, if that's all right, and here's a good question. Premier, I noted in the budget papers here, we have an excellent table of the 64 PESRAC recommendations and the allocation of the lead agency against each one of them. One of the things which would be a very useful tool to communicate about is how those are being brought forward. For us to understand in terms of accountability and scrutiny, would be a more detailed table presented by you which connects to this budget and shows us not just the lead agency but where each of the 64 recommendations are fully implemented. Then we can tick them off as in the process of being implemented and where they may appear as a funded item in the budget, or where they are being dealt with within existing resources. Generally, a specifically itemised list because it's very hard for us, or even for members of the public to be able to go to those recommendations and discover where are we up to. Where does it actually fit in this budget picture, and how will we look at that further down the track, say, in the next budget.

Could you commit to presenting a more detailed table of those PESRAC recommendations which can be in the public domain?

Mr GUTWEIN - I am happy to. In fact, it's interesting. In regard to the presentation of PESRAC in the budget papers, we took a view that by allocating or identifying the lead agencies, in most chapters of those agencies there is commentary about what they are working on, and in some cases, they identify the recommendation by number and where matters are at. The view was that agencies and ministers within explained that work. Engaging with PESRAC will provide to them that information and they can, early in the new year, prior to providing the second and final report, provide an update which people can work their way through and understand where matters are at. That'll provide PESRAC with opportunities as well as provide some commentary.

Ms WEBB - Would that link back to the budget papers and how the funding is going to be arranged?

Mr GUTWEIN - Absolutely.

Ms WEBB - That would have been quite handy to have at this point in time. Sometimes it's very easy to track from a recommendation to a particular funded item, but in other cases not so.

Mr GUTWEIN - Look, I'm happy to provide more clarity on that.

Ms WEBB - Thank you.

Mr GUTWEIN - We'll take that on board.

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Ms WEBB - Thank you. A couple of other PESRAC things which you mentioned a moment ago, that PESRAC is arm's length from you and providing advice to you but not of you as it were. It must sit somewhere. I want to understand that a little better. We already have a very obvious presence of PESRAC in this Budget and we've heard that the next budget's going to be pushed back to 26 August to facilitate inclusion of the PESRAC final report recommendations which have those longer timelines.

Mr GUTWEIN - I'm not pre-committing to every recommendation that PESRAC makes next year.

Ms WEBB - Sure. Well, you need to consider them.

Mr GUTWEIN - We need to consider them associated with that. It was one of the key thinkings to release that report by the end of March, the end of the first quarter next year. With a May budget it would have been very difficult in that time frame to seek advice and to go through what was needed.

Ms WEBB - Agreed.

Mr GUTWEIN - That was part of the thinking as well.

Ms WEBB - Yes, I understand the consideration you needed to give to that process. PESRAC is an important function being undertaken in the state.

CHAIR - Could we get to the question, please?

Ms WEBB - Yes. I'm hoping to get some clarity around how it fits amongst the processes which are playing out. Under section 24A of the Emergency Management Act, provision is made for the appointment of the State Recovery Advisor and for the current crisis, my understanding is the State Recovery Advisor is the Deputy Secretary for DPAC.

Mr GUTWEIN - That's right.

Ms WEBB - Then under the Emergency Management Act, the State Recovery Advisor's functions involve advising the Premier or the ministerial council on the appointment of a State Recovery Coordinator and the establishment of a recovery taskforce. Can you confirm that PESRAC was established under that section 24 as the recovery taskforce, according to this act? Is it operating within that legislative framework?

Mr GUTWEIN - It is operating within that legislative framework. The secretary of DPAC can provide some overview of that, if you want?

Ms WEBB - Yes, did the State Recovery Advisor provide advice on the establishment of the membership and the role that PESRAC would undertake under that statutory function?

Ms GALE - The advice was provided by me, as I'm the State Recovery Advisor, but on delegation, Mr Craig Limkin, the Deputy Secretary of DPAC undertakes the implementation and is the State Recovery Advisor at the moment. I provided that advice due to the extraordinary nature of the COVID-19 response. We needed, as allowed for under the Emergency Management Act, to have a much more comprehensive approach to recovery than

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previously had been the case. It didn't impact in the same way that a flood might or a fire might, or some other matter or fruit fly, or some other of our normal, if I can put it in that way, crises or emergencies. Therefore, the recommendation was made to have a broader recovery committee which looked broadly across the community and in fact across all the state.

Ms WEBB - It was your advice, in terms of the establishment part of PESRAC, so the membership and the role specifically?

Mr GUTWEIN - I hand picked.

Ms WEBB - Okay. So that was from you. Not on advice -

Mr GUTWEIN - I hand picked. I formed a view before receiving the advice from Jenny of where this would be placed. That there was a need for a body like this. I've started to give some consideration to that on advice Jenny provided of the most appropriate place for this was part of that recovery task force under the act, which are the steps we took. Once this is over a review of the state Emergency Management Act needs to be undertaken. The state Emergency Management Act works very well for a project emergency if I could call it that. A fire -

CHAIR - Like a bushfire.

Ms WEBB - A point in time emergency.

Mr GUTWEIN - A point in time emergency. There are range of learnings which we need to take from this last period. It has served us well. We need to consider the shape it should take in the future, should we have to face the circumstance again.

Ms WEBB - We've got the PESRAC as the recovery task force, but the Chair, Mr Challen, isn't the State Recovery Coordinator. Is that another role that's a statutory role which can be appointed. Are we going to have a State Recovery Coordinator? When does that come into play?

Ms GALE - No, so State Recovery Advisor is the secretary of DPAC. The State Recovery Coordinator is stood up if deemed necessary for particular disasters. You probably are aware that Mr Michael Stevens was stood up as the State Recovery Coordinator for bushfires and in this case, because we have been working through recovering through the State Recovery Committee which is separate to PESRAC and works through the emergency management arrangements. Depending on what the recommendations from PESRAC are, there may be a decision in the future to stand up a State Recovery Coordinator. It will really depend on the recommendations and the government's response to those recommendations.

Ms WEBB - So when our State of Emergency Declaration ends, the act says the State Controller transitions responsibility to a recovery authority such as the State Recovery Coordinator. Is that transition of authority going to the committee? The State Recovery Committee?

Ms GALE - No, the transition to recovery will be from DPFEM to DPAC in the first instance, which is usually the case.

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Ms WEBB - Okay. Thank you. Others might have overarching questions. I've got a couple more but I'll come back.

CHAIR - Just to focus on one particular PESRAC recommendation, No.35, The State Government should take a leadership role in collaborating with all Tasmanians, elect a representative to ensure a common voice involving the Australian Government to provide a transition path for COVID-19 income supplements, and provide a transition path for JobKeeper to all sectors. In particular those most exposed to closed international borders and physical distancing requirements and further.

Premier, can you outline the representations you have made to the Australian Government with regard to that? I'll ask further questions depending on what you've done on this.

Mr GUTWEIN - Regarding the border recommendation and noting the timing of when the report was released which was - late June we received the PESRAC report.

CHAIR - July? August?

Mr GUTWEIN - July. We found it. Then it was meant to be in the June, I think it was a couple of weeks into July. At that time, I was making recommendations as were other premiers in regard to support mechanics. I'm pleased that in the July statement made by the treasurer from memory was when the federal government first moved on those supports and provided the extensions which then were subsequently seen through budget and recently further extensions were made. It was quite clear that we were as one in parliament in meeting to have those matters removed. There was no need to formalise an arrangement. I was raising those extension matters with National Cabinet as were other premiers.

CHAIR - So the pressure's going to come on now that Victoria's got a much better situation than we were facing when that decision was made to extend. South Australia appears to have done a pretty good job there, too, which is all very positive.

Mr GUTWEIN - There are some challenging matters, yes.

CHAIR - You've still got a couple of weeks to be really sweating on.

Mr GUTWEIN - There are a number of things which keep me up at night. One of them is that this COVID-19 thing is so volatile. The Victorian and South Australian circumstance would indicate that if what they thought had happened had occurred potentially we were facing another Victorian situation up there. With this knowledge, whilst we plan for the future and hope for the best, at the end of the day, in the back of our minds, we're always planning for the worst as well.

CHAIR - With the budget forecasting unemployment to rise to 8.5 per cent, will the Government endorse the Raise the Rate for Good campaign, or are you satisfied with your Budget consigning Tasmanians to live on only \$40 a day. How are we going to support our people?

Mr GUTWEIN - One of the key things that we've got to understand is the return to work. It would be fair to say that at the moment one of the most common complaints I'm receiving

both in regional areas and in city areas is that businesses want to get back to business and are finding it difficult to get staff back. One of the concerns which was raised, and why there was a tapering in the return to work options, was to ensure that the balance was there. That people had both the need and the opportunity to return to work. I think as we work through this, noting the volatile nature of COVID-19, each month will provide us with a new sense of what's occurred with the virus and the impacts of that. We need transition pathways to get people back to work. If there is a need for me to advocate for more support at a later date, then I'm very prepared to do that.

CHAIR - Do you agree, though, the rate that was before COVID-19 was unsustainable for people to live on?

Mr GUTWEIN - That's a matter for the federal government. I was pleased that they provided both the COVID-19 supplement and that a component part of that remains in place.

CHAIR - Meg, did you want to go onto another one?

Ms WEBB - I'm just going to return to PESRAC and ask questions about activities and some other arrangements to do with their functioning. If there's a better place for me to ask those questions, I'm happy to be alerted to that.

Mr GUTWEIN - No problem, once I understand the question.

Ms WEBB - Sure. With the conversation which is occurring at the moment, including the public consultation, there's a work plan on the website that outlines that there is a series of workshops being undertaken. What is the cost involved for those workshops and how are they being conducted?

Mr GUTWEIN - With PESRAC and the COVID-19 provision, we're funding the matter with the COVID provision.

Ms WEBB - Okay. Those workshops are invitee only. How are potential invitees or participants being identified? I noted when I looked on there that, for example, unions weren't invited to be involved in those workshops. How was that determined? Was it PESRAC members who determined that?

Mr GUTWEIN - I'm not interfering at all with PESRAC's progress here at all.

Ms WEBB - I'm not suggesting that.

Mr GUTWEIN - So it's at arm's length from me.

Ms WEBB - That's why I'm wondering where decisions were made about that.

Mr GUTWEIN - They certainly weren't made by me, and in terms of no union involvement, that surprises me. That's the first time that's been raised.

Ms WEBB - They don't seem to have been invited to be participants. I would have thought they were a fairly core group of voices to be at the table for those workshops.

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Ms GALE - Every Tasmanian, or any Tasmanian group, has an opportunity to provide their recovery ideas to PESRAC through the online processes. Nobody's excluded from the PESRAC processes.

Ms WEBB - No, but clearly the workshops, though, are a quite focused way to have particular voices heard and have a discussion rather than just a submission. Who decided who the participants would be at the workshops given their key role?

Mr GUTWEIN - It's the first I have heard that the unions haven't been invited. I'm happy to make some inquiries on that. I've been quite clear that I want PESRAC to be independent of me. It needs to be.

Ms WEBB - So my question, then, is about where the decision was made about participation.

Mr GUTWEIN - The decision is made by PESRAC itself.

Ms WEBB - By the group themselves. Okay, thank you.

For the broader public consultation, which was mentioned, which is open at the moment, I note on the PESRAC website there's no deadline for the submissions and the survey periods. I'm not aware of the degree of public promotion that's been put into the broader public domain to participate through those links. Can you talk a bit about what the actual deadline will be and what period of time that that's open for submissions and general participation, and what promotion is being done?

Ms GALE - The workshops and so on are going to be held in October and November and the survey, we've been advised, will run to mid-November.

Ms WEBB - I don't believe there's a deadline. I have my public submissions because you mentioned a key way that groups who didn't get invited to the workshops could participate is submissions. When are those open to?

Ms GALE - The advice is till the end of November. But we would need to confirm that.

Ms WEBB - I don't know that that's clearly in the public domain. So to ask a bit about the functioning of the group -

Mr GUTWEIN - Just so I'm clear: what you're suggesting is that PESRAC needs to consider its communication strategy?

Ms WEBB - Yes, that would be a really over-arching way to sum that up in a way, in a sense.

Mr GUTWEIN - Then I'll take that on-board.

Ms WEBB - There's been a little bit of slippage in the promptness of getting information onto that website across the time.

Mr GUTWEIN - All right. I'm sure we can take it up with them.

Ms WEBB - The Government may like to engage in promoting that opportunity more broadly; that's why I was asking about what arrangements had been put in place to promote that submission and survey opportunity. Perhaps the last push.

Mr GUTWEIN - I'm happy to have a look at that. We certainly haven't fettered PESRAC in its opportunity to engage. It's good to get that feedback and I'm happy to take it on-board. We'll raise it with them.

Ms WEBB - Thank you. And given the group is established within that legislative framework to some degree, and it's integrated with some of our other more formal legislated recovery framework arrangements supported by taxpayer-funded personnel and resourcing, two things I'm interested to know regarding the administration of the group: are meetings of that group minuted, and are meeting minutes going to be released? I'm interested to also know about how many meetings have been held and the attendance at those meetings. Is PESRAC subject to RTI laws?

Ms GALE - We would have to take those questions on notice. The PESRAC secretariat is run through the Department of Treasury and Finance.

Ms WEBB - Okay.

Mr GUTWEIN - You can. I make the point as well that the PESRAC members are volunteers. They aren't paid for the time. In fact, they might receive some out of pockets, but they are not a paid board of government. I think that would be the reasonable way of explaining who they are. We can take those questions on notice and provide some advice.

Ms WEBB - No, they're not paid. They are, in fact, statutory, so it's interesting territory for us to contemplate in terms of that accountability. Treasury and Finance is where they're housed, in a sense, but the unit is also supported quite explicitly. It's described by DPAC, by DPIPWE and by State Growth. With DPAC, which is where they are at the moment, what particular support and involvement does DPAC then have into that space, particularly around staffing or resourcing?

Ms GALE - DPAC have had two staff members working on the secretariat under the leadership of the head of the secretariat, Mr Adrian Christian. That support is changing as PESRAC's work is changing. So DPAC will be providing some of the local government work that PESRAC is doing, and so it changes over time depending on what the scope of work is for PESRAC, the secretariat.

Ms WEBB - Are they seconded into those roles or are they doing that alongside their existing roles?

Ms GALE - They focus mostly on the PESRAC work. We have them seconded. They are working for DPAC but under the secretariat.

Ms WEBB - Thank you. I've got another area to go to in overview if possible, but if we need to move on.

CHAIR - I'll go to another area in strategic advice. Premier, I'm interested in the advice around - and what you've been looking at - it might be a Treasury question, so if it is I'll wait till then - regarding the TT-Line replacement vessels and the recent media around Austral. I'm sure you've read the media around that. I noticed your friend Brad Stansfield was named in one article. I'm not sure you listen to him much anyway.

Mr GUTWEIN - I know I've made that point on a few occasions.

CHAIR - But I'm just interested in where we're up to and if that is a Treasury question. I can wait until then. The work that you're doing there, noting Saul Eslake's comments about the potential cost of that.

Mr GUTWEIN - I'm happy to provide some overview now, but Tony Ferrall heads up the taskforce.

CHAIR - We'll wait until Treasury staff are here, that's fine.

Mr GUTWEIN - So the people he can provide you with, chapter and verse if you like -

CHAIR - That would be better, yes.

Mr GUTWEIN - Regarding where they're at and the processes they are engaged in. I was surprised to see the most recent commentary of Mr Eslake. He hadn't engaged with either me or with Treasury to get an understanding of the processes that we're working through. Mr Ferrall can provide more detail.

CHAIR - I will raise that again then.

Mr GUTWEIN - Yes, happy to.

CHAIR - Does any other member have an overview question, or go back to me?

Ms WEBB - We're aware you announced yesterday your intention to recommend to the Government we establish a commission of inquiry to investigate those responses of Tasmanian government agencies into historical allegations of child sex abuse. Is it your intention that that inquiry will commence early in 2021?

Mr GUTWEIN - Yes, it is.

Ms WEBB - This is only the second time we've had a commission of inquiry under this act, the first being the commission of inquiry into the death of Joseph Gilewicz in 2000. At the conclusion of that inquiry there was a lot of disquiet because in the final report it said that the act provided inadequate powers for the commission to undertake its job, and they requested those powers to be provided. The government at the time refused to adjust the act to give them the powers that they stated they needed.

Subsequently the Tasmania Law Reform Institute reviewed the act in 2003. This was headed up by Professor Kate Warner, our now Governor. That review recommended the act be amended to address specific concerns that arose in that first instance of utilising the act. Is it as stated in that review from 2003 and I'll quote, 'The usual purpose for establishing

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commissions of inquiry to ascertain the truth about a fact, event or circumstance in order to restore public confidence', and that's certainly why we're doing it now.

Will you now undertake that, should the commissioner of your proposed commission of inquiry identify they require further investigative tools or powers and make a request to you for those powers from the Government, that you'll inform parliament of that request and at the earliest time act to provide those powers?

Mr GUTWEIN - I take advice from whoever the commissioner is. I understand broadly the powers of a commission of inquiry and I've looked at the act in recent days myself. I'm certainly not a student of the act.

CHAIR - Premier, if you could adjust the microphone so it turns down towards your face a bit. Hansard is having a few hassles with the very softly spoken nature of you.

Mr GUTWEIN - I'm happy to take some advice on those recommendations from 2003. It's the first time that that matter has been raised with me. If the act itself is not adequate and the commissioner were to raise those concerns with me at some stage, then I would consider them.

Ms WEBB - Would you make those concerns public, or bring that consideration to the parliament?

Mr GUTWEIN - If this is a commission of inquiry I think we're looking to shine sunlight on challenges in terms of matters that are raised with me by the commissioner. I think the public should be aware of it.

Ms WEBB - Thank you.

CHAIR - Another matter?

Ms WEBB - Yes, actually two other matters. They're related though, and they're short. One thing I spoke about in my budget reply speech in this Chamber in recent weeks was to do with a gender equity statement for our budget. Gender impact statements were part of a federal budget process. They're a very common part of budgeting processes in many jurisdictions similar to ours.

There's considerable concern about the impact of this particular pandemic on women or girls in regard to employment, education opportunities, but also increased risks in a range of areas. I note that there are particular things in this budget which are targeted to women. I'm not suggesting that there aren't those things there, and I don't necessarily need to hear about them again. I'm wondering, given that we're challenged by this particular identified concern about impact on women, whether you would consider and commit to introducing as part of your standard budget - even if it's during a recovery period of these next few years - some form of gender impact statement that demonstrates and provides us with confidence that we're effectively addressing that concern and any disproportionate impacts. These measures would sit alongside measures you might be funding or introducing in a complementary fashion and in a more structured way prevents that impact in a broad sense across the whole of government and the whole of budget.

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Mr GUTWEIN - I'm happy to take that on notice and seek some advice on what you're suggesting. That sounds like quite a reasonable proposition. You've correctly identified there are significant measures in the budget to ensure there is a focus on that women and girls can have pathways. I'm happy to get some advice.

Ms WEBB - Thank you for that.

CHAIR - I have raised that with the Minister for Women in previous years about a gender analysis of the budget.

Ms WEBB - There's nothing like pandemic crisis to focus the mind on why it might be useful for us to do that even more so now.

Mr GUTWEIN - I'm happy to take some advice.

Ms WEBB - It helps expand our thinking beyond just to focus on employment-focused efforts, which are good but one aspect of the impact and the circumstance which needs to be managed by a broad all-around impact on women. Thank you. That's me done for the overview.

CHAIR - The financial reporting around this line item, I note that the budget papers, page 232 of Budget Paper No.2 in the expense summary, that is, but also from the appropriation of budget, the figures are slightly different. Whichever one you look at it doesn't line up with your annual report. The budget for this line item, strategic pricing advice was \$5 642 000 and there's either \$4.1 million or they're both \$4.1 million, but slightly different, smaller numbers. What is the difference? Why are they different? The other question is -

Mr GUTWEIN - The general report that you've got there?

CHAIR - The annual report of Department of Premier and Cabinet.

Mr GUTWEIN - So is it budget or actual that you're looking at there?

CHAIR - I was looking at the budget. The budget was \$5.6 million in the annual report, in the Budget Papers it's different, \$4.1 million. But the actual spend is \$3.83 million, and in terms of the amount of work that would have been done in this portfolio, acknowledging that it didn't all start until perhaps the latter part of the financial year we're looking at, why the underspend there? I would have thought it would have actually had to ramp up.

Mr GUTWEIN - I'm sure Jenny Gale has a very good explanation for that.

CHAIR - You're the Treasurer too, I thought you'd be all over this. Anyway.

Ms GALE - The difference in the amounts between the annual report and the budget papers I'm advised is that the annual report for strategic policy and advice includes Strategic Growth. For the purposes of the budget papers, Strategic Growth was separated and came out as its own output. So that's the difference between the two.

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CHAIR - It sounds like when we had the separation of Minister for Finance and the Treasurer, it caused all sorts of conflict and chaos in reporting. So that's the only difference? The difference is counted entirely by that?

Ms GALE - That's correct, yes.

CHAIR - Okay. So back to the question about why the underspend in the last financial year?

Ms GALE - Without having a look at the detail, Ms Forrest, the amount of work that's been done, particularly over COVID-19, will have been cost of COVID-19 to the State Control Centre and not directly to DPAC. DPAC, through the State Recovery Advisor, much of the work was done through the State Control Centre and not out of the DPAC budgets.

CHAIR - So I go to - sorry, and I haven't because we don't have Police in this committee, will their budget show a significant overspend?

Mr GUTWEIN - In terms of the State Control Centre?

CHAIR - That's run out of DPFEM, isn't it?

Ms GALE - Yes, the State Control Centre, so it's my understanding that there would have been a budget allocation, and because we were billing the Commonwealth as well, it may not be that clear, so we'd have to take advice on that.

CHAIR - Every year, I give a prize for the most useless set of KPIs. This year, you're the lucky winner. However, you almost got away with it because of the footnote, which says that you're now looking at doing some more outcomes-focused KPIs, which I'm really pleased about. I've banged on about this for I don't know how long, as you would probably know. Can you tell us when we're going to get some reasonably outcomes-focused and relevant KPIs? Talk about the work in your department. During this year, we've had an extraordinary amount of work to do.

Mr GUTWEIN - The working group has been established. I know that. Jenny can provide some detail on that.

Ms GALE - Thank you, Premier. I'm as frustrated as you are, Ms Forrest.

CHAIR - I'm pleased to hear it.

Ms GALE - One of the things which surprised me when I first came to the Department of Premier and Cabinet was the nature of the KPIs in the budget papers. We have worked with Treasury to agree that we will develop a new set. We did have a group working on it, and unfortunately COVID-19 came and most of our resources were pushed up to the State Control Centre, and we had a very small group. In terms of prioritising KPIs, we pushed that down the list. We are hopeful that by the next budget that we will, in fact, have more outcomes-based measures in the budget papers.

CHAIR - Okay. In regard to developing those, what sort of consultation, whose job is it, and where can we expect the focus to be?

PUBLIC

Ms GALE - It will go through our policy division, so Mr Limkin, the Deputy Secretary of DPAC, will have responsibility for that in consultation with Treasury. We need to make sure that we meet the requirements of the budget chapters. It is a different way of operating for DPAC by reporting against outcomes. We will need to consult broadly across the agency as well.

CHAIR - I look forward to not giving you the prize next year.

Mr GUTWEIN - Do I win anything or not?

CHAIR - Maybe a very stale chocolate frog or something else. Whatever I can find.

This department also looks at the whole-of-government processes and policies. What particular focuses are you taking at the moment. COVID-19 been very overwhelming and all of that, but work needs to continue on. Minister Ferguson yesterday talked about infrastructure, digital technology and our ICT sector. Wouldn't it be helpful to have a more mitigated approach to IT across the government, to build up capacity within government, employ people in government to actually provide a more consistent approach to our IT and digital rollout? What's your thoughts on that, Premier?

Mr GUTWEIN - In this budget we make a significant commitment to IT infrastructure. I think it is \$135 million. First, there is no doubt that there needs to be investment, and two, the other overarching matter here is the review of the State Service that's under way at the moment. It would be fair to say that whilst our departments do a very good job, they still operate as 1980s/1990s silos models.

CHAIR - That's what I'm talking about, yes.

Mr GUTWEIN - One of the things I found as a new Premier has been the way that interoperability under the state Emergency Management Act enabled, if you like, people from across the service to just get on and do the jobs that we needed them to do without any of the fettering that might have occurred in the past in terms of those silos. That's a key area that Dr Ian Watt is looking at, at the moment. In regard to some of the recommendations he's made - I think he calls them premier's priorities in the interim report that he's provided where a whole-of-government approach is taken across a range of areas. Infrastructure and IT are obvious ones.

The challenge that I've been wrestling with, and having worked very closely with Jenny and Darren Hine especially through this COVID-19 period, is how do you get to a point where you can be as nimble as you need to be in an emergency while still retaining the necessary controls required across the sector on a day-to-day basis. The challenge is trying to get that balance right, but there have been some sensational learnings that we have had through this.

CHAIR - Do you think it's worth building up that skill and capacity within government, so that the notion that you could use that skill if you employ - I mean, this is the jobs of the future. This is the area for jobs of the future. At a time like this when we're facing a high unemployment rate, particularly in youth unemployment, here's an opportunity for government to step in.

Mr GUTWEIN - I think there are a range of opportunities like that. It's interesting in the IT space. There will be process that we'll purchase from the private sector. At the same time, those processes will employ Tasmanians as well. It's about getting that balance right, but I think there is an opportunity. As we work towards the outcome of the Watt review, as we work towards the outcome of PESRAC, all things being equal, I'm hopeful that we can, over coming months, really start to pull together some of the threads of the learnings that we've had over this last nine months.

It would be fair to say that our senior executive across government is suffering time fatigue at the moment. The secretaries that you will be enquiring into over the course of this week have worked harder than I would ever imagine that people would have. Their dep secs have worked hard, their directors have worked hard. Across the public sector it's been an extraordinary effort by the public sector. People in health dealing with the pandemic but at the same time offering the services that are required on an ongoing basis, plus dealing with the fear of the pandemic. That's something that I know, Ruth, you're well aware of on the north-west coast.

There are many people who have been affected in very challenging ways. They're still turning up, they're doing the work that they need to do, but it's fatigue. I'm hopeful that we can in this next few months, remain on top of COVID-19, the country remains on top of COVID-19, and that we've actually got a chance for our senior people to rest and recover to some degree while at the same time start to pull together some of the other issues.

CHAIR - Do you have the capacity to do that? I know you've only got one secretary and one dep sec and that sort of thing, but we're coming up to Christmas. Is there a chance for your senior people, like the State Controller and people like that and yourself obviously, but all these people who have worked really hard in this time, to actually be able to regenerate to think about these new ideas? Otherwise you're just working on adrenaline.

Mr GUTWEIN - We've been mindful - I remember having a conversation with Darren Hine early in the piece. You know, Caesar said that an army's greatest weapon is rest. I know that Darren in the State Control Centre has been mindful of his key people and although they've been stretched he's been mindful of the demands on them.

Our challenge as we move into the next three months will be bushfires, and the way that we've structured the State Control Centre now where Darren Hine has stepped out to oversee the day-to-day challenges that we can see over the coming months. Scott Tilyard, as the deputy state controller, is managing the COVID-19 effort under delegation to try to provide that opportunity.

CHAIR - We had a briefing from the Commissioner the other day about that.

Mr GUTWEIN - We can run two emergency centres if necessary. By that, I mean two emergency responses for COVID-19 and others. There is a significant will within government, to ensure that we don't lose the learnings from what we have been engaged in. But we need to find that space. I'm hopeful that that's going to be early in the new year as we look to reset and take on board both the State Service Review, the PESRAC report, and we begin to frame up a budget. It's one of the key reasons why I moved the budget as well to August, and not necessarily just for PESRAC. It was actually to provide some space. Under normal circumstances, Treasury for a May budget would have advertised last weekend for public

consultation and budget submissions. I said to Tony that we just simply cannot do that. We need to find the space and the time so that we can do this properly.

Jenny, if you want to, in regard to senior people and efforts that have been made to manage.

CHAIR - Is there enough capacity in the department to keep working at what could need to be full capacity for some other matter?

Ms GALE - We are making arrangements to make sure that we can run a COVID-19 centre at the same time that we can run the State Control Centre should anything else crop up. Touch wood, it won't, but it's been busy every year -

Mr VALENTINE - That's right. We don't want a second wave.

Ms GALE - Or, in fact, if we have outbreaks in Tasmania around COVID-19, and that's being set up now, so the two separate centres, so I'm confident that we'll be able to do that.

In regards to senior staff, heads of agency have worked collaboratively, sometimes early in the piece it was daily, with each other to make sure that we were managing the workflow. Some things transferred to the State Control Centre, what we needed to do in agencies, had individual agency responsibilities for, et cetera. We've been working together as a team and have been really cognisant of making sure that we looked after each other and provided good mobility across the service. This has been allowed through some changes that were made to the employment framework for the purpose of COVID-19. We have been very flexible and adaptable. Agencies have been giving willingly where they have people who can support various efforts to make sure that we have people rotating in and out, and making sure that we get the work done, and particularly to protect the safety of Tasmanians.

It has been an enormous effort. Whilst it's still on the boil the last few weeks, and in the lead-up to the budget have been not as unrelenting as they had been, people are starting to take periods of leave and swapping in and out. That is the way we're dealing with it at the moment. The State Service review will provide us with recommendations that will give much more flexibility in the employment framework. Until such a time as we have that, we continue to work collaboratively to ensure that that happens.

CHAIR - Premier, regarding your leave liability across the department, is that under control, or are you getting a high leave liability?

Ms GALE - Anecdotally, Ms Forrest - through you, Premier - yes, people have been increasing their leave allowances because they haven't been taking as much, but they're starting to take it now and will continue to do that.

CHAIR - Is there a program to try to manage that? It can become a massive liability if you don't deal with. That's a financial liability. There's also the human liability there.

Ms GALE - Yes, so each agency is managing that, and we are very aware that we need to manage that.

CHAIR - Any other questions under 1.1?

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Ms LOVELL - I have one. Premier, in your ministerial office, do you have a deputy chief of staff?

Mr GUTWEIN - Yes.

Ms LOVELL - You do. Can you provide a list of roles and salaries in your ministerial office?

Mr GUTWEIN - Absolutely. Happy to table that if we have it with us. If not, we'll get it.

Ms WEBB - Probably more overview in a way, but still fits here. I'm interested to hear from DPAC around RTI requests, and how that's played out over the previous financial year. How many RTI requests were made to DPAC in 2019-20, and how does that compare with the year before? What percentage of the requests were responded to within the statutory time frames, and the comparison figure? What percentage of requests were refused? What percentage of refused requests were deemed refused because of failure to respond within time frames?

Mr GUTWEIN - I can provide some detail on that, and then the secretary can - is that right - some of the details if need be. DPAC received 22 right to information requests during the period of 1 July 19 to 30 June 20. I've delegated my responsibilities under the Right to Information ACT to RTI officers within the Department of Premier and Cabinet. Any requests made directly to me are managed by delegated RTI officers and DPAC.

During the period 1 July 2019 to 30 June 2020, DPAC RTI officers assessed eight RTI requests as delegates of the premier. All RTI requests were assessed within statutory time frames, and while RTI matters are often complex and time consuming, all requests have also been completed within the statutory time frames, including agreement with the applicant on any extensions. The process for assessing RTI requests is the same as it was under the previous government with independent RTI officers undertaking assessments at arm's length from government.

In terms of RTI assessments, the number of requests received in 2018-19 - I think that's right - six to the Premier, eight to the Premier in that year.

Ms GALE - That's correct.

Mr GUTWEIN - I'm wondering why that number, Jenny, the 22 RTI requests there for DPAC is different to that number of requests.

Ms GALE - We separated the requests for DPAC that came to DPAC, and those that came and were delegated to you.

Mr GUTWEIN - To other agencies.

Ms GALE - So on the six in 2019-20, there were eight requests received in relation to the Premier's role, and one from another minister.

PUBLIC

Mr GUTWEIN - Okay. In 2018-19, there were six received for the Premier and one for another minister.

Ms WEBB - Can you just explain how that number of eight that you were mentioning just then relates to the 22 that you spoke about earlier?

Ms GALE - It's separate to the 22. The 22 are the RTI requests that the department received.

Ms WEBB - And the eight is for the Premier.

Ms GALE - Correct.

Ms WEBB - How many were refused? How many were provided?

Mr GUTWEIN - In the current year, there were two that were part transferred. Does that relate to it being transferred to another agency?

Ms GALE - Yes, Premier.

Mr GUTWEIN - Three were decided in 20 working days or less. Five were decided in greater than 20 working days, but within extension for negotiation or scope and/or third-party consultation. There were zero late responses, and there's one still being assessed.

Ms WEBB - So none refused?

Mr GUTWEIN - Certainly not in the information that I've got here.

Ms GALE - In the 22 or the eight? Are we speaking -

Ms WEBB - In the 22.

Mr GUTWEIN - I was just talking about the eight.

Ms GALE - I'll run through the 22 - through you, Premier. In relation to the 22, the table that I have indicates that two applications were refused, 19 applications were determined, eight applications were granted in full, and seven granted in part. There were five applications for which exemptions were used. Ten of those 22 took less than 20 working days to be determined. Nine took more but were negotiated, and an extension was negotiated with the applicant or with the Ombudsman or a third party. There were no internal reviews determined, and there were no external reviews determined.

Ms WEBB - So none were taken to the Ombudsman for review?

Ms GALE - Correct.

Ms WEBB - Thank you.

CHAIR - Any other questions on 1.1? If not, we'll move to 1.2, climate change.

Ms WEBB - 2.1? 2.1, Management of -

CHAIR - Sorry, I was going from the book, not from that schedule. 2.1, Executive Management - Management of Executive Government Processes.

Output group 2

Government processes and services

2.1 Management of executive government processes -

Mr GUTWEIN - Just so I'm clear, I think we come back for climate change very late.

CHAIR - We do later. That's right.

Ms WEBB - Much later in the day.

CHAIR - We'll all be older by then.

Mr GUTWEIN - No interesting climate here.

CHAIR - There is. We're just trying to put all the things in when you've got the same people around the table, hopefully.

Ms WEBB - Can I kick that off then? 2.1?

CHAIR - Through you.

Ms WEBB - Thank you. A couple of overarching questions fit into this area. They're really around disclosure and transparency, and it's very topical, as we are aware. There was a media release that came out on 18 November from the Attorney-General which detailed the Government's record of openness and transparency as presented by the Government. The statement announced that DPAC has launched a new Government Information Gateway, and also named up that the Government and I'll quote this bit -

The Government is implementing the updated ministerial code of conduct and supporting parliament's adoption of a new member's code of conduct while also continuing to publish information released under the Right to Information Act within 48 hours of release to applicants and the ongoing publication of public consultation submissions.

It listed those things. Two questions in relation to that. The first one: the Government Information Gateway, and the ministerial codes of conduct, the ministerial staff codes of conduct, they're still dated 2018 in that Gateway. They also refer to the Hodgman Government. When do you intend to introduce new ministerial codes of conduct and what difference would that contain compared to the ones which are there, the older versions? Are you undertaking a review to assess and update those older versions before a new version is issued, or is it simply a matter of switching the names?

Mr GUTWEIN - In my mind, I think those codes are relatively robust. I certainly haven't requested any additional advice and it would simply be updated with change of Premier.

Ms WEBB - It talks about implementing 'updated' ministerial codes of conduct. 'Updated' is just a change of the name?

Mr GUTWEIN - Yes.

Ms WEBB - The second question I had was in relation to the claim about the Government providing ongoing publication of public consultation submissions. I'm interested in that because there are various public consultation submissions that haven't been put in the public domain. Primarily, the Electoral Act review, the second stage of that, and then also the future gaming market framework consultation that was done earlier this year for which submissions haven't been publically released or put on the website.

I know you've made some commitments around the Electoral Act review. I don't believe you've made commitments around the future gaming market submissions that were provided in February and when they will be made public. I imagine there's only a small handful and I don't see why they wouldn't have been put up onto a website, even given COVID-19. Premier, if you're claiming as a matter of openness and transparency that this Government is committed to the ongoing publication of public consultation submissions, what's the protocol for the publication of those submissions? What instructions and protocol sits there to say when and how public submissions -

CHAIR - Is that the question?

Ms WEBB - Public submissions -

CHAIR - Is that a question?

Ms WEBB - Yes, I'm in the middle of a question. - public submissions are publicised in the public domain, either a website or elsewhere?

Mr GUTWEIN - To be frank, as Premier, I haven't changed, or provided any direction in terms of any change, to what has been the standard and ongoing process in regards to that.

Ms WEBB - What is that protocol then? That is what I'm asking.

Ms GALE - I'll take that on notice, Premier, through you. I understand that there are guidelines. I just can't quickly find them.

Ms WEBB - Yes. I believe you made a commitment in relation to the electoral -

Mr GUTWEIN - I have and I'll say here what I've said in the lower House. To be frank I've had other things on my mind this year and I haven't turned my mind to a deep consideration of that report. I will in the next month and I will be releasing that report for early next year.

Ms WEBB - In fact, I'm not asking about the report. What I'm asking about is this commitment, this part of the openness and transparency claim of your Government to publish public consultation submissions.

CHAIR - Jenny's going to get that.

PUBLIC

Mr GUTWEIN - Yes, Jenny will get the rules on that. But if there are -

Ms WEBB - The guidelines are coming and I'm specifically asking about -

Mr GUTWEIN - If there are public consultations we'll release them when I release the report.

Ms WEBB - So not earlier than releasing the report?

Mr GUTWEIN - At this stage, I'll get some advice regarding the guidelines. You're the first person who has asked me that, to be frank. I'll get some advice and I'm happy to respond to the committee.

Ms WEBB - What are the reasons public submissions can't be publicised, made public ahead of a report being made public?

Mr GUTWEIN - I'd have to look to see what, if any, commitments were made by the previous premier or any public statements. I need to check those, that's all.

Ms WEBB - In regard to the publication of the submissions on the future gaming markets, what would be holding those up?

Mr GUTWEIN - It's always been my intention that when we release the legislation, in the time frame of the legislation those submissions should all be released as well.

Ms WEBB - Is there any reason they can't be put in the public domain now given they're public submissions to an open consultation process?

Mr GUTWEIN - I'd have to check and see. It'd be fair to say that the timing of the legislation, that COVID-19 has slowed that process down.

CHAIR - Can I clarify a point which the Minister for Finance said yesterday on this matter? He said that there was no expectation that legislation would be going out for consultation. There would be a policy framework go out for consultation. Can you clarify what your understanding is?

Mr GUTWEIN - No, it's always been my intention that we would have the five-week standard public consultation -

CHAIR - On the draft legislation?

Mr GUTWEIN - On the draft legislation. Absolutely.

Ms WEBB - That's it. Thank you. I was getting to that one.

Mr GUTWEIN - That's always been my intention.

CHAIR - The Minister for Finance seemed to have a different view. You might want to check what he said yesterday.

Ms WEBB - I was going to raise this with the Treasury part, but if we're here with it for the moment, could you then lay out your understanding of those next steps in that process? Even if you can't commit to a specific time. an indicative time would be fine, but at least the steps.

Mr GUTWEIN - As I indicated yesterday, in terms of the framework and the policy position for the pubs and hotels, that's already been announced and is in line with the Government's policy that legislation is being framed at the moment. The negotiations that are under way with Federal Hotel regarding casino taxes and fees in Keno are still on foot. I expect that we would include those, I would hope, before the end of the year. Next year, legislation once drafted will go out for public consultation and then we will introduce it in the autumn session.

Ms WEBB - Can you unpack that a little bit? The policy and then there's the framework which you consulted on earlier this year. Are you saying that the framework is now firmed up and finalised, based on the consultation?

Mr GUTWEIN - The only outstanding issue that I'm aware of at the moment is the negotiations. As we said, we would in the original policy in terms of Federal's taxes, these charges and in terms of the casino and operations there.

Ms WEBB - What was the purpose of the consultation that you did on that framework in February this year if not to continue to shape it?

Mr GUTWEIN - I would have to look back and refresh my memory. I can assure you when that went out, the world changed pretty quickly. If it's all right with you, I'll seek some advice on that process, thank you.

Ms WEBB - Where are we up to finalising that framework?

Mr GUTWEIN - Well, for the hotels and pubs, we announced our position on those matters in December. This year? So, there's no change to the policy position.

Ms WEBB - No, I'm not talking about policy. It is the framework that sits over the policy which you consulted on, but we haven't heard back from the consultation.

Mr GUTWEIN - I'll get some advice. The world changed pretty quickly in February this year and I'll get some advice.

Ms WEBB - Right. In terms of consulting currently on some remaining elements that you've identified, you're consulting with industry but not with other entities, other than the industry?

Mr GUTWEIN - I'm negotiating with Federals, as I said I would, in the policy that I took to the election.

Ms WEBB - With no other stakeholders, or receiving expert advice from any sources?

Mr GUTWEIN - Provided in the election. I said that we would negotiate those matters with Federal.

PUBLIC

Ms WEBB - Where would you have received expert advice on that from?

Mr GUTWEIN - I'm receiving advice from Treasury.

Ms WEBB - No other external sources of advice or assessment?

Mr GUTWEIN - No, I'm receiving advice from Treasury.

Ms WEBB - The SCIS that's currently under way, which has as part of its remit looking at the costs and benefits of gambling and matters relating to the economics of gambling, is that going to be informing the final shape and framework going forward? Is that a source of expert advice that you'll draw on?

Mr GUTWEIN - We took a policy to the election and it's my intention that we'll deliver that policy.

Ms WEBB - That policy you took to the election had absolutely no detail about these matters we're talking about now. This is what's being framed up.

Mr GUTWEIN - The point that I'm making is, I committed to at the time, as did the previous premier, to implementing that policy. That's what we're doing. I'm taking advice from Treasury in regard to other negotiations that I'm involved in at the moment.

Ms WEBB - The question around the social and economic impact study that's currently under way, that examines some matters relating to the economics of gambling in this state - will that be informing the final shape and detail of the framework?

Mr GUTWEIN - The policy framework is relatively straightforward. I don't intend to move off the policy position that we took.

Ms WEBB - No, I'm not talking about the policy position. We're talking about the details, Premier.

Mr GUTWEIN - No, , that's the point. You were asking me if I would change that policy position.

Ms WEBB - No, I wasn't asking you that at all.

Mr GUTWEIN - Well, it certainly sounds like you are.

Ms WEBB - I'm actually asking you about the details and what's informing the details. Things like the tax rate, which we just talked about before. That wasn't taken to the election, for example.

Mr GUTWEIN - No, but the commitment to negotiate and to finalise that was taken to the election. That's exactly what I'm working through.

Ms WEBB - So the question I just asked you then was there's one source of advice that's informing that negotiation and the decisions that would be taken around that detail, for

example, being informed by your Government's funded independent research that's currently under way in this state in the SEIS.

Mr GUTWEIN - As I've said, Treasury is advising me on tax and those negotiations.

Ms WEBB - So, the SEIS won't be informing that detail and framework?

Mr GUTWEIN - Treasury is providing me with the advice in terms of the appropriate tax rates.

CHAIR - We can ask Treasury. Let's move on for now. Sarah, you had another area.

Ms LOVELL - Thank you, Chair. Premier, can you confirm if the protocol office still exists?

Mr GUTWEIN - That the protocol office still exists?

Ms LOVELL - Still operating, still exists.

Mr GUTWEIN - I signed correspondence from them only recently. Yes, they do.

Ms LOVELL - Glad to hear it. How many staff are in the office currently?

Mr GUTWEIN - In fact, I think I signed a letter to you just recently in terms of the flag. I'd have to take advice on that.

Ms GALE - I'll have to take it on notice to get the exact number, but it's three or four. Not full-time equivalents though.

Ms LOVELL - Has that staffing profile changed recently?

Mr GUTWEIN - To be honest, I don't know. Certainly not anything that I've directed or been involved in, but we can get advice.

Ms GALE - We have recently moved some business units together, not to reduce FTE, but as a way of working flexibly within DPAC. We're trying to encourage that approach across the whole of government so we can make the most of peoples' skills across a wide range of projects. It's an internal look at how we can do our work better; but there has been no intentional reduction of FTE or diminution of the work of the protocol office.

Ms LOVELL - So another question on the line item.

CHAIR - We're going to have to move on, because we don't have a lot more time in this output. So very succinct.

Ms LOVELL - It's not an especially important one. It's okay, we can move on.

2.2 Principal and subordinate legislation

CHAIR - We'll move on. We'll move to the next output, 2.2 Principal and Subordinate Legislation. Mr Gaffney soaked up all the resources this year.

Mr GAFFNEY - Yes, money well spent. The footnote says there was a significant increase this year; I think it was \$238 000. Could you explain why that occurred? It says 'The increase in Principal and Subordinate Legislation reflects a transfer of funding from Legislature-General relating to the Office of the Parliamentary Counsel'.

Mr GUTWEIN - There's a commitment made to provide \$150 000 for OPC to provide drafting support for members of parliament in the lower House. I think that was provided in the 2019-20 budget, but it's been carried forward as a result of the circumstances we were in earlier this year. Therefore, there's funding available this year, and I've informed the House - I think it was debated last Thursday - that early in the new year the arrangements for the House and their engagement with OPC will be revised.

Mr GAFFNEY - Interestingly enough, \$75 000 increases are forecast over the next year. Obviously, that amount of money is needed for OPC to do its work. Last year then premier, Mr Hodgman said, 'There's a budget allocation, we just need to arrive at a model that doesn't place undue burden on OPC and doesn't disadvantage non-government members, has appropriate structure and supports in place to keep giving best quality advice.' Is that going down that path?

Mr GUTWEIN - Yes. What was discussed in the lower House was whether a separate legislative drafting officer could sit in the library and be available to members. That was proposed and discussed in the lower House. We took advice, and I can assure you the Chief Parliamentary Counsel has a view about how her office operates, and the best way to provide support for members. It was decided that additional funding would be provided and a dedicated resourcing service would be provided out of OPC for the lower House.

I don't think at any time the lower House had any sort of similar arrangements to those you have in this place, where if you want to have drafting or amendments done, OPC will take them on board. That's never been available in the lower House and this will be a significant step forward. We're working with OPC and we'll provide the details early in the new year.

Mr VALENTINE - It makes for good quality legislation.

Mr GUTWEIN - It does. Having spent more time in opposition than I have spent in government, it will be a very worthwhile proposition for parties.

Mr GAFFNEY - My only concern with this line item is on page 236, the performance indicators. In 2019-20 the high level of satisfaction of key clients for drafting and delivery of bills reached 99 per cent, which is quite amazing, and you're now letting the standard slip back to 95 per cent.

Mr GUTWEIN - I'm not sure about the sample size.

Mr GAFFNEY - No, I'm just teasing. I think it's amazing that it actually gets to 99 per cent.

CHAIR - It was all the COVID-19 notices and everything.

PUBLIC

Mr GAFFNEY - Yes, and now we're now letting them drop the standards back to 95.

CHAIR - It's a target, not a standard.

Ms GALE - In three years we reached the target, and we have these conversations frequently about it; should we go to 100 per cent. If we aim for 95 per cent, that's pretty good. So we decided on balance to leave it there.

Mr GAFFNEY - Yes. It's a very impressive result. No, all good. That's all.

CHAIR - Premier, I noticed this line item was just short of \$300 000 over the budget. That is from looking at the annual report; unfortunately, Treasurer, you didn't put the actuals in the Budget papers. I can't understand why you didn't, but that's a matter I'll take up with you at a later time during Budget Paper No.1 but not in No.2. One can go to the annual report and find it; it would be easier if one didn't have to do that. I'm interested in the overspend there. I assume it was to do with all the COVID-19 work, but can you provide any clarity on the almost \$300 000 overspend.

Ms GALE - Can you direct me to the -

CHAIR - In the annual report, page 48, expense by output group - down almost to the bottom of the page. The budget was \$3 125 000, the actual was \$3 419 000.

Ms GALE - I would need to get an explanation for that. I don't have that level of detail. I can source that for you though.

CHAIR - Under very expensive Mr Gaffney, was that done by RAF or how was that funded, the drafting of the VAD bill?

Ms GALE - No, that was drafted in-house. A part of the issue that we have with drafting legislation across the nation is attracting highly qualified people to those positions. The decision was made to do that in-house, and it was mostly done, as I understand it, by Robyn Webb herself. So that would have been included in the normal budget.

CHAIR - That may have accounted for the overspend, or part of it.

Mr GAFFNEY - No, not at all.

Ms GALE - There may have been back-filling. I'll get that information.

Mr GUTWEIN - There was an extraordinary amount of work for the first six months of the year.

Ms GALE - There was a lot of work.

CHAIR - There was, yes. I acknowledge that, with the COVID work that was required as well. The gazettal of the notices and everything that had to happen.

Any other questions on that line item? We'll move to 2.3 the Government Courier.

Mr VALENTINE - Stacey did a fantastic job. The way she's performed, it's amazing.

CHAIR - Yes.

Mr GUTWEIN - Yes, in fact her entire team is outstanding.

CHAIR - They all need a holiday too, I reckon. We didn't have any questions on the Tasmanian Government Courier. We'll move to 2.4, corporate support for ministerial and parliamentary offices and the Office of the Governor.

2.4 Corporate support to ministerial and parliamentary offices and the Office of the Governor -

CHAIR - Mike, back to you.

Mr GAFFNEY - What was the nature of that support of the increase of \$393 000 to support office operating services? No, sorry, it's the increases for \$50 000, \$40 000, \$45 000 over the next three years. I didn't think there was much there to talk about. I was wondering of the COVID-19 impact on the Governor's duties?

Mr GUTWEIN - It obviously curtailed some of the Governor's duties and her movement around the state. I'd have to say though that Her Excellency is back in full swing, and has been moving around the state. I think she spent some time on the north-west coast recently as well. COVID-19 curtailed the activities of Government House and will continue to curtail activities of Government House to some extent due to social distancing requirements.

Mr GAFFNEY - I'm not sure if they should be the same line item, the corporate support to ministerial and parliamentary offices and the Office of the Governor. It might make more sense to have those separated for line items, but I'm not overly fussed.

Mr GUTWEIN - I guess it's how it would have been originally framed. It would have been around the executive government being executive council, the governor and ministers. But, I'll take that on board.

Mr GAFFNEY - To me it would be easier to access those questions. That's all I have.

Mr GUTWEIN - Her Excellency has done an outstanding job, reached out where she could. In recent times she has returned to full duties and has been seen in most regions of the state, which is good.

CHAIR - Jenny may need to take this one on notice, Premier. In relation to the actuals versus budget, there was a \$570 000 underspend. It may be related to the inability to travel and some of those other costs. I'm not sure. If you could provide some clarity around that detail.

Ms GALE - I'll take that on notice, you're right.

Mr GUTWEIN - We can deal with that and other matters regarding the number of the formal or regular events that were held just wouldn't have been held, but we'll provide a breakdown on that.

CHAIR - The money that's not been spent, is that just moved around within the department, or is it enabled through the Financial Management Act, or is it rolled over?

Mr GUTWEIN - It depends. Up to a certain level, it can be rolled over under the Financial Management Act, but it would depend on what its purpose was. If it's simply just an underspend because there was less activity, then that funding would come back.

Ms GALE - Yes. It would be very unlikely to be rolled over, so we do rollover where we need the funding to expend in the following year for the same purpose for which it was intended.

CHAIR - Any other questions on that line? We'll move to 3.2, Management and ongoing development of Service Tasmania.

Output group 3

Electronic Services for government agencies and the community

3.2 Management and ongoing development of Service Tasmania -

Ms LOVELL - Premier, how many phone call inquiries did the Service Tasmania call centre receive this year, and how does that compare to last year?

Mr GUTWEIN - Inbound calls received, to give you a comparison for 2018-19, 303 378; June 2019-20, broadly speaking a 10 per cent increase, 331 921. I don't have a time frame on that other than for the financial year. I expect that in large part the increase occurred through the COVID-19 period. I don't have more of a breakdown on that, but they were much busier, as you'd imagine, through that period.

Ms LOVELL - Would it be possible to get that breakdown, Premier?

Mr GUTWEIN - I'm not sure. From our records, will we be able to break it down into, say, quarters?

Ms LOVELL - Yes, or by month.

Ms GALE - Service Tasmania does keep quite good data, so we will take that on notice to come back if that's possible.

Mr GUTWEIN - We'll take it on notice, and we'll be happy to - yes.

Ms LOVELL - My last question on this one was in relation to the changes made at the Huonville Service Centre. The service centre in Huonville was upgraded to create a shared counter with Services Australia, so the Centrelink office there. Are there any plans to roll out that model across any other Service Tasmania sites?

Ms GALE - Yes, and we also have a shared arrangement down at Kingston. I may need to confirm that. The future of Service Tasmania is to provide a one-stop stop as much as possible between all government services. Service Tasmania actively explores opportunities to do that. So, for example, at the Paranal Centre in Devonport, Service Tasmania runs the counter for the Devonport City Council. We are actively pursuing other areas in which we could also do the same thing. The notion would be in the future that Tasmanians, wherever they live, ought to be able to access government at whatever level, whatever tier, hopefully through the one portal, whether it be in a shop or through IT, through a website. That's the long-term goal, and Service Tasmania pursues those opportunities wherever they arise, and they proactively search them out.

Ms LOVELL - Is there a possibility of shops being looked at for closure? Is that a -

Ms GALE - Through you, Premier. No.

Ms LOVELL - Thank you.

CHAIR - Any other questions on Service Tasmania? All right, we'll move on.

Mr VALENTINE - Yes, probably. Just one with respect to something that you were talking about earlier here in terms of the ICT landscape. The capacity of Tasmanians to be able to engage with ICT is something that is a real concern, the digital literacy level of our state. While we can put all sorts of whiz-bang things online, and Service Tasmania is obviously one of those gateways that people engage with, how are you enabling certain sectors in the Tasmanian community to better engage with what we're actually producing?

Mr GUTWEIN - I think it was in October of this year, there was a program launched with a budget of \$100 000 granted, which was to target digital inclusion called Digital Ready for Daily Life program.

Mr VALENTINE - Minister Ferguson did mention it when he spoke here yesterday.

Mr GUTWEIN - There is going to be a need for a balance as we move through. It's interesting, we've got our younger people who will live their life on that, and then we've got a group of Tasmanians -

CHAIR - Some not so young people will do that too.

Mr VALENTINE - Quite a lot of older people do actually.

CHAIR - That's what I'm saying.

Mr VALENTINE - My 96-year-old father did when he was around.

Mr GUTWEIN - But we have a range of people who simply don't have the skills, and so we need to work closely with the community, to attempt to increase that level of skill, but we need to be mindful as well of the stresses that we bring to those in our community who, no matter what we provide, will never bring them to a point where they will feel comfortable engaging in the IT sphere. There will always need to be a range of accessibility issues that are managed by Government.

Mr VALENTINE - Yes, I'm aware of that programs. As I say, minister Ferguson dealt with that yesterday. I'm interested to know with Service Tasmania, as people attempt to contact the service, that they're pointed to places where they can actually learn to use these sorts of products that have been put up there - I call them products, but it is software.

CHAIR - The online accessing - is that what you mean?

Mr VALENTINE - Yes.

Mr GUTWEIN - And also through the 26 TEN program.

Mr VALENTINE - That's a fantastic program.

Mr GUTWEIN - It is. Scott Bacon was responsible for that, from memory, in his role going back a number of years ago.

Mr VALENTINE - Very surprised at the number of people who might be able to use that.

Mr GUTWEIN - Yes, he championed it, and it's a very worthwhile program. I note the challenges. Jenny might have some further comments to make.

Ms GALE - Many of the larger Service Tasmania shops now have the concierge model where people are assisted as they come in, in terms of their inquiry and whether they have any needs around the way in which they engage with the services that are provided. There's an opportunity through that process to identify people who need support, either face to face because they don't have digital literacy skills or assistance with access through the various stations in those Service Tasmania shops. It is something that, as the younger cohort comes through and adopt the electronic service -

Mr GUTWEIN - Or the engaged older cohort.

CHAIR - Yes, that's right.

Ms GALE - Yes, whichever demographic we're talking about. As those who are strong digital users move more and more to online services and accessing that way, it frees up the personnel in Service Tasmania shops to provide that much more one-on-one support to the clients coming in, and particularly those who aren't able to access through those digital ways.

Mr VALENTINE - Thank you.

Output Group 4 State Service Management

4.1 State Service Employment and Management

CHAIR -We'll move onto the next line item. 4.1. State Service Employment and Management.

Ms WEBB - I note in that line item, footnote 5 across the page, that: variation in State Service employment and management reflects funding for the Tasmania State Service Aboriginal Employment Strategy and Youth Employment Initiative. I know that last year in Estimates, the Aboriginal Employment Strategy was discussed and mentioned. How many persons identifying as Tasmanian Aboriginal were employed in the State Service across, say, the last three years and how does it fit with the proportion of Tasmanian Aboriginal people in the broader Tasmanian population? Do we have a target for Aboriginal employment for this current financial year through to 30 June 2021 and strategies that sit alongside achieving that target?

Mr GUTWEIN - I will read this note and then if there's anything that's not covered, we can take it on notice or Jenny can fill in the gaps. As you've correctly raised, the State Service is progressing a number of Aboriginal employment initiatives. These initiatives are aimed at attracting more Aboriginal people to State Service jobs, developing the progress of pre-existing Aboriginal employees, and supporting a culturally respectful and inclusive work place. As such the initiatives include:

- recruitment of an Aboriginal graduate through the Tasmanian State Service Graduate Development Program 2020, and further targeted roles in the 2020-21 recruitment process;
- a Tasmanian State Service Aboriginal employee network, which currently has 160 members across agencies;
- four Aboriginal employee working groups have been established to progress the strategy and actions relating to Aboriginal cultural respect training;
- building the Aboriginal employee network;
- developing a whole-of-government toolkit to support Aboriginal employment; and
- developing a whole-of-government Aboriginal mentoring program.

Aboriginal employees have contributed to the development and delivery of an Aboriginal cultural respect foundation module which has been piloted with State Service employees. It's anticipated that scheduling additional training may occur in 2021. In the absence of face-to-face meetings, weekly Aboriginal employee network team meetings have been established to maintain connections with members and continue to progress the strategy and actions. I presume we'll be transitioning to face-to-face meetings. There's also coordination of the monthly Tasmanian State Service Aboriginal Employment E-newsletter, developed by Aboriginal employees and facilitated by the State Service Management Office.

We've provided a range of other tools including Welcome to the Country guides, to be provided and released across the State Service, and a range of other wallet-sized cards and other things that have been developed to support the appropriate assistance with delivery of acknowledgements. As at September 2020, the Tasmanian State Service had 88 Aboriginal identified positions - they can only be filled by Aboriginal and Torres Strait Islanders -

compared with 78 in September 2019. I'm not certain how many of those positions are actually filled.

Ms GALE - Through you, Premier, we're collecting that data at the moment. That question was asked yesterday. We will have that information from all agencies. Not all have replied yet, but we can have that soon. We have a target of 3.5 per cent of employment.

Mr GUTWEIN - Across the service.

Ms WEBB - Because that's reflective of our general community? How was that target arrived at?

Ms GALE - I would say, yes. Through the population sheet.

Ms WEBB - Thank you for that. Similarly, I'm interested in the performance information on this output group - on page 239 and the final performance measure mentioned in that table: whole-of-service employment demographics matches community demographics by 2020. There's a footnote explaining why there isn't a figure yet for the 1920 year or the 2021 target. Could you talk about that a bit more and where we're up to with the process that's described in the footnote - which is that there's a working group established to come up with KPIs? Can you talk about where we're up to to have that in place?

Ms GALE - Through you, Premier?

Mr GUTWEIN - Work away.

Ms GALE - We'll need to take that particular question about the working group on notice and through SMO. We do have an answer to the identified positions - 87 of those are filled.

Ms WEBB - Of the Aboriginal identified positions? Thank you.

CHAIR - There was 88 identified? Is that right?

Ms GALE - Yes.

CHAIR - So there's only one to field.

Ms GALE - Yes.

Ms WEBB - That's fine. You'll get back to us on that whole-of-service employment demographics matches communities' demographics by 2020, regarding where that process is coming with the working group? Okay. Are there other current strategic priorities of what State Service Management offers in terms of workforce shape and character other than the Aboriginal positions and the Aboriginal target that's in there? Are there any other particular priorities or strategic directions at the moment?

Ms GALE - Yes, we have a whole-of-government diversity policy, which is a focus across agencies at the moment; and youth recruitment is a particular policy. We've been working on gender diversity in the State Service for quite some time and we have set a gender target for staffing the SES as well. In terms of broad demographics that probably sums it up

for those who we have at the moment: the focus on women, gender diversity, and youth and Aboriginal employment.

Ms WEBB - Do you think you will have performance targets and information about those going forward, given they're strategic priorities?

Mr GUTWEIN - It would be useful if we did.

Ms GALE - We're certainly reviewing all our targets.

Mr GUTWEIN - Yes, KPI's are all being looked at.

Ms GALE - We don't want to get the prize again next year.

Mr GUTWEIN - No, I like to think I'm running off the previous premier's presentation.

CHAIR - Yes, luckily, we didn't have the premier previously, so he never won the prize. It was usually the Minister for Energy and Resources. He is still in counselling, I think. I will follow up on one of your questions. You talked about the targets for gender diversity and I have your annual report - the Our State, Our Future report. There's some good information in there and I appreciate that. We note there is still a predominance of males as heads of agencies and the SES by gender, so the senior levels are still male dominated in what is a female-dominated workforce. I think you'd have to accept that, Premier.

Mr GUTWEIN - That goes without saying. In fact, it was around 70 per cent.

Ms WEBB - You only had to look at who was sitting across from us yesterday. It was a little bit different to the mix today.

CHAIR - We did have one woman there, anyway, we have more today. Back to the point here, Premier.

Mr GUTWEIN - I think he's getting the message.

Ms WEBB - Wall to wall suits yesterday.

CHAIR - Yes, it was wall to wall suits.

Ms WEBB - I'd describe it as some other sort of vest, but I won't.

CHAIR - The afternoon might be a bit of more wall-to-wall suits going on. I'm interested in what the targets actually are in your senior levels. We can look at it in the information that's in this report. There's still a bit of work to do. What are your targets?

Mr GUTWEIN - I'll start. In August 2016, a goal was set to achieve gender equity in senior executive with a target of at least 40 per cent of senior executives to be women by 2020.

CHAIR - We're not quite there yet, 31.25.

PUBLIC

Mr GUTWEIN - In fact, the number I've got here is 45.78, so it's well into the target with women comprising 45.78 per cent of the senior executive.

Ms GALE - That's correct, Premier, yes.

CHAIR - Senior executive. Sorry, I was looking at heads of agency. You are right.

Mr GUTWEIN - Yes, the total of executives. I must admit, it is quite an impressive progression that we've made. In June 2014, it's worthwhile raising that the percentage of senior executive service officers by gender was 70 per cent male and 30 per cent female. There's been a gradual improvement every year since until now. In June 2020, it's 54 per cent to - 55.22 to 45.78 per cent. The points you made about female representation across the broader service, 71 per cent to roughly to 29 per cent was the split, females to males across the entire service.

CHAIR - You would expect potentially that that figure would actually swap so you would have a high predominance of females in SES positions and heads of agency, which is with the 31.25 to 68.75 per cent.

Mr GUTWEIN - If we continue with the same progression, absolutely.

Ms GALE - I think the heads of agencies set the original 40 per cent target as something to aim for, recognising that it wasn't necessarily where we wanted to finish up over time, but believed that it was a realistic target given the employment practices and so on, and the numbers of people in positions coming up into the SES and so on. It's quite complex, so it has been an absolute achievement to get to almost 46 per cent as at June 2020. Of course, some of us won't rest until it's over 70 per cent, and that will be -

CHAIR - That's right. It's been the other way for a long time.

Ms GALE - And we've had that debate, that it ought to be representational as much as possible. Remembering that we have had years of the opposite being the case, it does take time to bring that back, but I think this achievement is fantastic for the Tasmania State Service. We certainly won't be resting there, but in consultation with other heads of agencies, we will need to set a new target.

CHAIR - I'm not saying it's not a good outcome. It is, from a place that was pretty poor. But look at our parliament too. Tasmania has led the way in more gender equality.

Mr GUTWEIN - Even across our government boards, there has been a significant movement forward as well.

CHAIR - That will be a matter we'll follow up with the Minister for Women, I expect. She has greater carriage of that, would she? Yes. It's important that we do bring more women through onto those boards because the problem is you seem to have the same women sitting on a number of boards. Some men too, in some cases.

Mr GUTWEIN - It's interesting. I bumped into one of our female board members this morning when I was coming into the office early. They run that program with TasPorts, where they have the director - what's it called? Not a shadow director that they bring in, but they have a -

CHAIR - The mentoring.

Mr GUTWEIN - The mentoring arrangement?

CHAIR - Yes, I can't think of what it's called.

Mr GUTWEIN - I said to her this morning - the Tas Community Fund and TasPorts run that model - I think that's something that we should run across our government boards and actually have that -

CHAIR - Not just for women. That should be for all people because you just keep recycling a lot of people through the government boards, with all due respect to those who are sitting on them.

Mr GUTWEIN - In the main they've done a good job. It is something we should look at.

CHAIR - Diversity of thinking is important as well as diversity of gender and diversity of region. Anyway, we're getting off-track. Sorry, back to you.

Ms WEBB - Can I get back to a couple of other specific matters around diversity that I'd like to pick up on following on from gender? People with a disability, I know in the annual report this is picked up on and talked about - actually, I can't tell what page it is because the page numbers haven't been printed. There are two elements mentioned. One is about recruitment of people with disability, and that's about building relationships with the disability employment service providers and targeting recruitment of graduates with disability. There are some other matters talked about in regard to building awareness and capacity around interacting with people with disability.

I'm particularly interest, though, in the recruitment aspects. Do you monitor and measure and potentially have targets around recruitment of people with disability into the State Service?

Ms GALE - We don't have targets but we do encourage agencies to look for diverse workforces. Many agencies go through the disability services to try to attract staff with disabilities to employment. That's what we're currently doing.

Ms WEBB - How do we know whether we're doing better, and how quickly we're doing better on that aspect of things in the State Service?

Ms GALE - This is quite tricky because we don't require people to indicate whether they have a disability or not. In fact, some people choose not to indicate when they have a disability. There are a wide range of disabilities, as you'd be aware, and so it is tricky to report against. We do through our State Survey, the TSS survey each - when we conduct them we ask those people. I don't have a copy of that with me at the moment, but we would be able to say how many reported, but that would be only a sample because not everybody responds to the survey either. So that would give us a bit of an idea.

Ms WEBB - I'd like to see those figures to see how that's tracked. Realising the limitations on it in terms of accuracy, that could be the complete data point. What about employment around LGBTIQI -

PUBLIC

Ms GALE - Excuse me. Sorry, Premier. The TSS survey results are publicly available on the website. You should be able to find the split there, but we can provide that to you as well.

Ms WEBB - Thank you. I'd appreciate you providing it to us. Is there anything that you wanted to highlight at the moment that's being undertaken in diversity around LGBTQI?

Ms GALE - Only that we have the committee that looks at LGBTI and issues for the State Service. Particular agencies have those. The Department of Education is well-known for its work in that way. It does tend to be agency specific though.

Ms WEBB - When was the last State Service employee survey undertaken, and has COVID-19 affected that rollout of the survey?

Ms GALE - It did. It was conducted earlier this year. We started it in March from memory. I'd have to confirm that, but we had a much lower participation rate as a result of COVID-19. It was a pulse survey this year, so it wasn't the full survey. Agencies agreed that they wanted to conduct a shorter pulse survey in between the full survey, but it was affected in terms of participation rates by COVID-19.

Ms WEBB - With COVID-19 impacting some other things, I think we mentioned earlier in discussion in the first line item, some changes around leave that have occurred as a result of COVID-19, perhaps that were taking higher levels of sick leave. I think that was the comment -

Mr GUTWEIN - Actually, no, discussing these people accruing.

Ms WEBB - Oh, accruing, okay. Could you could talk a bit more about the impact of COVID-19 this year around sick leave, around family violence leave, as a starting point?

Mr GUTWEIN - I might get Jenny to speak as the secretary. But regarding the questions you've asked, I can explain the types of leave we had available -

Ms WEBB - I was looking for reflections on -

Mr GUTWEIN - Jenny's probably best placed as the department secretary.

Ms GALE - I am just trying to access the statistics that we have on COVID-19 leave. You will remember that at the beginning of the outbreak, when State Service employees were either furloughed or on leave due to COVID-19, they continued to be paid. Therefore the stats that we have in relation to leave would not necessarily reflect those who had not been in the workforce, and we still continue to do that. In relation -

CHAIR - That included those that were sick with COVID-19?

Ms GALE - Yes, in the early days.

Ms WEBB - They would show up as being COVID-19 leave rather than sick leave as such?

Ms GALE - Yes.

PUBLIC

Ms WEBB - Apart from that though, separate to the COVID-19 leave, I'm interested in sick leave broadly and family violence leave. What's happened in those spaces during this COVID-19 time.

Ms GALE - Just within DPAC or across the State Service?

Ms WEBB - Across the State Service broadly.

Ms GALE - We'll take that on notice.

Mr GUTWEIN - We can provide you with the COVID-19 special leave.

Ms WEBB - Yes, that wasn't so much what I was asking.

Mr GUTWEIN - No, I know it was broadly, but we're happy to put that on notice.

Ms WEBB - Thank you.

CHAIR - So how much COVID-19 leave was used?

Mr GUTWEIN - It's interesting. I'll run you through: March, 48 days; April, 164; May, 434; June, 476; 235 days in July; August, 415; as at 22 September, 109; total days, 1881 special leave days.

CHAIR - They were all fully paid at the rate that the person would have been paid?

Mr GUTWEIN - Yes. Under COVID-19 leave and then we had the north-west situation where we didn't ask them to take leave. We just continued to pay them, I think, was the end, wasn't it?

CHAIR - They didn't take leave; they just got paid?

Mr GUTWEIN - They just got paid.

CHAIR - Yes. So those figures you gave us doesn't count north-west staff? Doesn't include them, or it does?

Mr GUTWEIN - It wouldn't count the north-west staff that were sequestered or self-isolating at that time because we just continued to pay them. That would have been - for the April and May figures there would have been about 1200 in that.

Ms WEBB - So similar to the question I asked about that picture during COVID-19 around sick leave and family violence leave, I'm more interested during this time in what's happened across the State Service in regards to bullying and harassment complaints and worker's compensation claims, and whether you can paint a picture there? Particularly if there's been change to a normal pattern and comparisons.

Ms GALE - We'd have to take that level of detail on notice.

Ms WEBB - Thank you.

Ms GALE - We have done some significant work in relation to bullying and harassment. Obviously, that's not acceptable in the workplace and it has been a focus. In terms of across COVID-19, I don't have any figures in front of me in relation to that. We've [inaudible] inquiry as to whether they're even available over that time.

Ms LOVELL - Thank you. Thanks, Premier. The annual report SSMI provides totals of head counts and employment status and FTEs by agency. There's some age and gender breakdown for the whole of service - and I appreciate you probably won't have this data at your fingertips right now - but is it possible to get a breakdown of the head count and FTE totals for State Government employees broken down by agency, major part of agencies, employment status and award, preferably a point in time data set compared with the same point in time for the previous year.

Ms GALE - Do you mean by which award belongs to each -

Ms LOVELL - Yes.

Ms GALE - That would be quite voluminous.

Ms LOVELL - If we could do it by agency, a major part of agency and employment status.

Mr GUTWEIN - By major part of agency, what do you mean?

Ms LOVELL - Well, the different parts of agencies. So within Communities Tasmania, the different agencies -

Ms GALE - That would take a very long time, I imagine, to compile that information.

Mr GUTWEIN - Almost breaking it down into the -

Ms GALE - Positions.

Mr GUTWEIN - Line items.

MS LOVELL - Well, into departments?

Mr GUTWEIN - We can do departments.

Ms GALE - We could do both departments.

Mr GUTWEIN - When you say by parts of agencies, give me a description of an agency that you'd like to see?

Ms LOVELL - Like the Department of Communities Tasmania and -

CHAIR - Communities Tas, Child Safety Tas and Housing.

Ms LOVELL -- the different parts of that agency.

PUBLIC

Ms GALE - We don't collect that at whole-of-government level, Premier. We collect full agency data through the State Service.

Ms LOVELL - So no level below that?

Ms GALE - No, not through the State Service Management office. We report at agency level.

CHAIR - To try to get to what we're trying to get here, is that something we could ask Health tomorrow for all their data?

Ms GALE - We would have to do it agency by agency.

CHAIR - And because they only have the portfolio areas we've got and Communities Tas on Thursday.

Mr GUTWEIN - I'm just thinking because we've had similar questions in the past, say for Treasury, and who works in budget grants, and who works in financial management or intergovernmental relations. The challenge is that in many cases, individuals will work across -

CHAIR - Work across more than one.

Ms LOVELL - Okay.

Mr GUTWEIN - To get that sort of level of break down.

CHAIR - What are you actually wanting there, Sarah?

Ms LOVELL - I can ask ministers for their agencies. We can come back to that at Treasury, then.

Mr GUTWEIN - All right.

Ms LOVELL - My second question was to do with part time employees. There are a number of part time employees who have a base number of hours but would regularly work additional hours on top of that. Is that data collected of the total base number of hours as per people's employment contracts, but then the number of hours that are paid to part-time employees in a pay period?

Ms GALE - That would be collected only by agencies. Through the payroll system, obviously, agencies would have information about the hours worked. Through the demographic data, they would have the FTE or part-time components. So agencies would be in place to compile that information.

Ms LOVELL - Thank you. I'll follow that up by agencies.

CHAIR - That's all, Sarah?

Ms LOVELL - Yes. Thank you.

CHAIR - One thing from me. In the general diversity inclusion that we've talked about previously, I note from the report I referred to earlier that you're continuing to provide training and unconscious bias to improve recruitment decision making and professional relationships. Are you able to describe what training that actually looks like and who's actually accessing it?

Ms GALE - I would need to ask that question of the State Service Management office. We actually don't do that centrally at the moment. Agencies are doing that themselves. They may do that in different ways. I can really only comment on the unconscious bias workshops that heads of agency attended and I can't give you the date for that, Ms Forrest, because my memories are COVID fogged in terms of where and when things have happened.

CHAIR - That's all right.

Ms GALE - Generally speaking they would be undertaken by consultants who would provide workshop training for heads of agencies. We did a pre-survey and a post-survey after the workshop so they would be usually consultant driven and focused according to what the agency requires.

CHAIR - Are you looking at rolling that down further to middle management as well as the senior management in trying to get everyone thinking differently and being aware of their own biases?

Ms GALE - That would depend on where agencies are at in rolling it out further to middle management as well as the senior management in trying to get everyone thinking differently and being aware of their own biases?

Ms GALE - That would depend on where agencies are at in rolling it out. In DPAC we have started with head of agency and then rolling it down to the executive level. When there's an opportunity to make that more known it will be worked through with the rest of the staff. It's interesting when you start talking about unconscious bias, what exists and how people aren't aware of what they do. Recently in DPAC, we ran the human library workshops for -

Mr VALENTINE - They're great.

Ms GALE - They are fantastic, and they're the best thing for helping people to understand the importance of putting yourself in somebody else's shoes when you're thinking about policies and processes in recruitment and so on. It was only a bit over a week ago that we ran two of those for our managers, and opened it up under COVID-19 rules for others to fill the spots. Agencies would be doing it variously.

CHAIR - It's good to hear because people aren't even aware - what you don't know, you don't know. That's probably a given. Any other questions on this line item? If not, we'll move to 5.1, Security and emergency management.

Output group 5
Security and emergency management

5.1 Security and emergency management -

PUBLIC

Mr VALENTINE - This is quite an interesting one given our current circumstances. Forward Estimates show virtually no change in the appropriation for the output compared to the appropriation provided in last year's budget papers. Despite the state the experiencing COVID-19 emergency and an expectation that this emergency will proceed through to 2021, can you tell me first of all - because it was prior to COVID-19 - what the big funding burst was about and what it produced?

Mr GUTWEIN - This is for the 2019-20 year?

Mr VALENTINE - The previous budget shows the same appropriation. There's been no change basically going forward.

Ms GALE - The Office of Security received additional funding in last year's paper.

Mr VALENTINE - It was quite a significant burst.

Ms GALE - Yes, that's been maintained.

Mr GUTWEIN - This is the fixed term recovery projects that were delivered in 2019-20 to assist recovery from the 2018-19 bushfires, and the 2018 Southern Tasmanian extreme weather event. A small number of recovery projects relating to these events are still outstanding and will incur expenses in the current year. But then -

Mr VALENTINE - It goes down.

Mr GUTWEIN - the level of funding that we've set aside there, that's in relation to continuing to manage the ongoing pandemic before returning to what is a more normal level of funding of around \$2 million per annum.

Ms GALE - Correct, Premier. It was increased last year, which enabled more FTE to be employed through the Office of Security and Emergency Management. This budget will always go up and down because, if you like, it is a post box for Commonwealth funding, and when we apply for funding for particular projects through the Commonwealth, that is usually fixed-term. It's reflected in the budget papers, but once it's finished, then it goes. There will be constant ups and downs in the OSEM budget. It did receive additional funding in the previous financial year.

Mr VALENTINE - But going forward, given COVID-19 as well, you don't see that that rather large drop - what is it - a \$2.49 million drop?

Mr GUTWEIN - What we've included in the budget, if I could make this point as well, is that we took the \$145 million provision in this year's budget -

Mr VALENTINE - That's the COVID-19 period, isn't it?

Mr GUTWEIN - Yes, of which around \$62 million has been spent. Then if we need funds for any agency, for any purpose for COVID-19 related -

Mr VALENTINE - That's the way you're managing it rather than through this particular line item. Is that what you're saying?

Mr GUTWEIN - If additional funding is required.

Mr VALENTINE - So looking at the performance information, there are a lot of NAs in there. Is that because -

CHAIR - Did you read the footnote? You just missed the ongoing prize.

Mr VALENTINE - Yes, that's right. The type of performance measure there is intriguing to me. I suppose with this sort of an area, you wanted the understanding of whether the policies that you're putting in place are actually effective and, at the end of the day, operational. I suppose that gets reflected in the department's budget papers, does it?

Ms GALE - The effectiveness of the policies usually is evaluated through the reviews at the end of each of the emergency periods that we go through. There are significant reviews being undertaken in relation to that at the end of each one. That reflects on policy, and that's the way generally speaking we evaluate the work of this group.

Mr VALENTINE - I'm sure this gentleman across the table would have a lot to add as a result of his own personal experience going through this. Do you see any improvements which could be used in the way we handle emergencies and the like? Are there improvements that can be made? Would you be putting that forward?

Mr GUTWEIN - There is a distinct difference between a pandemic and a flood or a fire. There's no doubt that our structural arrangements are designed to cope very well with those project-type emergencies. When we can stop and reflect and draw breath, there are some structural changes that we should not have had, but would assist should we have to face something like this again. That's not to say that, in regard to the current act or our structure, that it's fettered us in any way. It's the simple fact it wasn't designed for a purpose like this.

Mr VALENTINE - This line item - does this deal with planning and strategy for a second wave if it shall occur?

Mr GUTWEIN - Currently that planning and strategy is being conducted through the State Control Centre, the SCC. What we have done is separated Darren Hine out of his role as State Controller and allowed Scott Tilyard, the Deputy Commissioner, to take on that role to enable Darren to take more of a helicopter view of both the COVID-19 response and also the challenges that we might face in the coming months.

Mr VALENTINE - Where are we at with regard to that sort of planning? I mean, it's not impossible, is it?

Mr GUTWEIN - That planning is well under way. It's being refined on a daily and weekly basis; that would be the best way to describe it. We identified, it would have been July or August, to start the thinking of where would we be at the end of the year, and if we had to face a second COVID-19 challenge at the same time and have to face a bushfire in November or December, what's the structure that we need. That's why some of the steps have been taken already.

CHAIR - A flood in January down the east coast, and on it goes.

Mr GUTWEIN - What is interesting, in fact, the Bureau of Meteorology was suggesting that we would have floods this side of Christmas and not fires to deal with.

CHAIR - Yes, on the east coast particularly.

Ms GALE - To add to what you've already said, Premier, the emergency management arrangements nationally are also going to be reviewed post COVID-19. It's been a significant issue globally, but it has caused us pause to reflect on the way that things are set up for emergencies into the future. Tasmania will be participating in that as well, as the Premier said, thinking about whether we need to review our own arrangements.

The Office of Security and Emergency Management has been working within the State Control Centre through all of this. They have been involved in the work for COVID-19 and will also be involved in some of the work for bushfire preparation. Things like the interoperability arrangements, the Office for Security and Emergency Management coordinates those, supporting the implementation of the COVID-safe workplaces framework; supporting temporary visa holders experiencing financial hardship through the support package and so on - things to do with funding.

Mr VALENTINE - Well done on that score. I reckon that was a great move.

Ms GALE - Liaising with a range of recovery partners within local government, industry and the community services sector to understand and respond to the impact of COVID-19 on businesses and so on, supporting the State Recovery Advisor and the State Recovery Committee, and liaising with PESRAC to provide advice and recommendations to government on recovery needs. They also had business as usual through bushfire mitigation and a range of other things that office works on.

Mr VALENTINE - So what sort of interaction have you been having with local government through all of this process?

Mr GUTWEIN - Local government is part of the regional councils. There's a framework.

Ms GALE - That's right, Premier. The Regional Emergency Management committees have local government representation and they work with government agencies to push up areas of concern or that need attention in those local areas. We believe local knows best. We've been feeding that message into the review of the national emergency arrangements, saying it's really important we don't have decisions being made from the centre pushing down. Particularly with things like COVID-19, looking at the impact in the local area, and always having that as a lens is really important. That liaison with local governments is very important.

Mr VALENTINE - Does the Premier's Local Government Council still exist?

Mr GUTWEIN - Yes, it does.

Mr VALENTINE - No doubt that's been a bit of a conduit for problems and issues and relations.

PUBLIC

Mr GUTWEIN - I think we actually suspended it due to the emergency in the first part of the year and then we started again. I think another one is coming up.

Mr GAFFNEY - In December.

Mr GUTWEIN - Yes, just before the end of the year.

Mr VALENTINE - It used to be very valuable.

Mr GUTWEIN - They are. In fact, they're running beautifully at the moment. The engagement with LGAT through this, and with local government - as I have mentioned on a number of occasions - once local government got engaged, it was fantastic.

CHAIR - We might keep focused on - We only have a bit of time.

Mr VALENTINE - Yes, well, it's a line item. It's about emergency management.

CHAIR - Does it fit under there or local government? Anyway, let's move on.

Mr VALENTINE - I'm talking about the emergency side of things. I appreciate you need us to focus. I'm interested to know how the communication and interaction with the federal government is going in this space, with all of problems and issues we've had. Are things going well there or are there areas for improvement?

Mr GUTWEIN - The singular most important shift that's occurred in state and federal relations this year is the establishment of the National Cabinet. As an ongoing part of the architecture of any government relations, that will be very important. The engagement my agency - DPAC - now has with the federal government would be almost daily, I imagine, that would be one way of describing it as we work through this thing. There have been times when I might disagree with the Prime Minister on some things -

Mr VALENTINE - I've noticed, yes.

Mr GUTWEIN - However, the National Cabinet has worked well. Bringing premiers and chief ministers together from different political persuasions at the start was a stroke of genius by the Prime Minister. Everybody in that room set aside their political ideologies and focused on the task at hand. Some of the commentary that's occurred in recent times about Victoria has been unfortunate, but he has done a fantastic job and all strength to his arm to get on top of various problems.

Mr VALENTINE - So what about at the operational level, where we've needed to call on the defence forces and the like? Have there been no problems or issues there?

Mr GUTWEIN - None whatsoever.

Mr VALENTINE - Your requests have been responded to positively?

Mr GUTWEIN - The north-west outbreak has been held up as an exemplar for the way it was managed. It would be fair to say it was the least bureaucratic process I have ever been

engaged in. When we had to put up our hand and say we have a problem, we need assistance, matters were sorted within hours.

Mr VALENTINE - So what about with these international people coming in, did I hear you wanted to request the defence forces again and it wasn't acceded to?

Mr GUTWEIN - No. The ADF, as I understand it, unless things have changed in the last 24 hours, has been supporting us. We've also been engaged in terms of the Australian Medical Assistance Teams - AUSMAT - support as well in a health sense. As I indicated yesterday, we're in the final phases of the national partnership agreement, which is fully paid for by the Commonwealth, by the way, ensuring we've got the health plan finalised and agreed by both parties.

Mr VALENTINE - Thank you.

CHAIR - Nothing else on that line. We'll move to 90.1, the COVID-19 response outputs. State Service Casual Worker Support - Sarah, do you have something there?

Output group 89
Public Building Maintenance Program

89.1 Public Building Maintenance Program -

Ms LOVELL - Thank you. Premier, I have some questions about casual employees in the State Service. Can we get a breakdown of the number of casual employees by agency?

Mr GUTWEIN - Yes, I'm presuming that is available on the website, or in the annual report. We can certainly provide information if it's not available in those formats.

Ms LOVELL - Thank you. I've had a look at the interim report of the review of the State Service tabled yesterday. I'll admit I had a very brief look, but I can't find any mention of casual employment in that interim report at all.

Mr GUTWEIN - It mentions part-time?

Ms LOVELL -Part-time and fixed term, yes, but not casual. This line item is to do with the additional support required for casual employees through COVID. I think the pandemic highlighted some of the systemic problems with casual employment, particularly when we're asking people to isolate and they're not able to do that. As part of that review of the State Service, is there a concerted effort by the Government to look at where casual employees are being used in the State Service and where there might be opportunities to convert those casuals to permanent employees?

Mr GUTWEIN - I'm not certain that's been conducted through the review. Thinking about one group of casuals we had which were linked to Parks, for example, with seasonal work and so on, and the casual arrangements that could see them employed for maybe three months of the year or nine months, I'm not sure how part-time would work under those circumstances.

Ms LOVELL - Look, there are some circumstances where casual is appropriate, but there are others where it might not be, and that's my question. Would there be a review of casual employment across the State Service to ensure it is only being used where it's appropriate and necessary?

Mr GUTWEIN - I think in a financial sense it would be more advantageous to provide some more part-time arrangements than casual.

Ms GALE - There'll certainly be a focus on the employment framework with a view - I think the term in the report was 'facility employment framework' - to make sure we are able to utilise our workforce when and where we need to, depending on the priority or the situation. That will be the focus. Whether the reviewer goes into the level of detail you're referring to, Ms Lovell, I'm not quite sure. However, we will highlight it as an issue that's been raised for consideration.

Ms LOVELL - Thank you.

CHAIR - Any other questions?

Ms LOVELL - No.

CHAIR - We'll have a break. We did schedule a break for 11.30. We'll come back and finish 90.4, which is on the \$252 000 for Service Tasmania. Then 1.1 and 1.2 of the Governor before we move on to Treasury, if that's all right with you, Premier?

Mr GUTWEIN - Absolutely.

CHAIR - We'll try and keep it fairly succinct though. So we'll break until quarter to 12.

The Committee suspended from 11.29 a.m. until 11.45 a.m.

Output Group 90

COVID-19 Response and Recovery

90.1 State Sector - Casual Worker Support -

CHAIR - Premier, we're onto 90.5, which is the COVID-19 response, the regionally based model for coordinating recovery. You touched on this when Rob asked you a question earlier. I'm interested in how this actually works. You have two lots of funding this year and next year. Is this to be structured to deal with a second or another subsequent outbreak, or is it broader than that?

Mr GUTWEIN - One would hope that regional recovery would be used as part of the recovery process as opposed to dealing with another COVID-19 outbreak. That's the intention. Should there be another outbreak, we'll respond wherever it is. The idea was to underpin the PESRAC recommendation that we must have a regionally based model for coordinating the recovery journey.

Regarding the proposed arrangements, three regional recovery committees - south, north, and north-west - would be established to provide advice to government to inform COVID-19 recovery. That would include advising state government agencies on the local implementation of the PESRAC recommendations. The committees to be chaired by state government are initially proposed to include five other members, including a local government representative, a non-government organisation representative, a community representative, and an industry representative, and an Australian Government representative, noting the significant involvement they've had as well.

CHAIR - With the Australian Government representative, what sort of person are we looking for there?

Mr GUTWEIN - I'm not sure that we'd want an MP. For example, with our taskforce for the *Spirits*, we have a member of the Department of Industry and Technology. We need the right person into each of those regions. Again, the Commonwealth Government has the resources in the state, so we'll have a look to see what's available. If we have to fall back to utilising a representative, we will.

CHAIR - I don't have any other questions on that item. Does anyone else have anything on that? No.

Output Group 90

COVID-19 Response and Recovery

90.4 Regionally Based Model for Coordinating the Recovery from COVID-19 -

CHAIR - We will move then to capital investment priority, and that was just the \$250 000. I assume that's basically a contingency to enable work to be done on Service Tasmania offices or IT? There's not a specific plan for it, or is there?

Mr GUTWEIN - It would be fair to say that DPAC has more ambitious aims for Service Tasmania. We thought we'd provide a level of funding in this Budget, and then be informed by the the review, and in next year's budget, should we need to have more of a capital investment program across Service Tasmania offices, we'll look at it then.

CHAIR - Do they all use the same IT systems and so on currently?

Ms GALE - The \$250 000 is normally for maintenance and upgrades for Service Tasmania shops. They use it very well, and we are, as the Premier said, hoping for bigger and better things in the future. Yes, they use the same platform across all the shops.

CHAIR - If there are no other questions, we'll move on to ministerial and parliamentary support. The appropriation's on page 203, Budget Paper No. 2, Volume 1.

DIVISION 7

(Department of Ministerial and Parliamentary Support)

Output Group 1
Support for members of parliament

1.1 Support for Ministers and Certain Parliamentary Office Holders -

CHAIR - So 1.1 is Support for Ministers and certain Parliamentary Office Holders. Page 202 is the appropriation. You're on the expense page, I think. Yes.

Mr GUTWEIN - I thought you said page 302.

CHAIR - Sorry.

Ms WEBB - She did, but it was a mistake.

Mr VALENTINE - I think she did, but we will forgive her.

CHAIR - Someone should jump in and say no wonder he couldn't find it.

Mr GUTWEIN - It's all right.

CHAIR - Apologies, yes.

Ms WEBB - It's just a brief one really for the 1.1. Noting that this line item provides funding for allowances payable and transport services to premier, ministers and office holders, et cetera, could you break it down for us a bit further from that overall amount to indicate the proportions of that amount that relate to those different elements that are covered by the output item?

Mr GUTWEIN - Do we have a breakdown with us? If not I'm happy to provide one.

Ms WEBB - I'm particularly interested to see the distinction between the executive and the support there, and then the parliamentary office holders and the support there, to understand how the break down occurs.

Mr GUTWEIN - I'm not sure. Do we have -

Ms GALE - I'm not sure I understand the question, Premier.

Mr GUTWEIN - On page 202, Support for ministers and certain parliamentary holders is \$17.895 million in 2020-21. What's the breakdown in terms of support for executive or certain parliamentary office holders, what else?

Ms GALE - We have information in relation to offices, staff, et cetera, that we can provide and things like travel, et cetera. That's how we would normally break it down.

Mr GUTWEIN - If you're happy, we can provide you with a break down, Ms Webb. We will make it as granular as we can.

Ms WEBB - That would be great. This covers allowances and transport. It doesn't cover staff, this particular item?

Mr GUTWEIN - It covers staff.

Ms WEBB - Advisors, staff?

Mr GUTWEIN - We have ministerial and electorate officers

Ms WEBB - Yes.

Mr GUTWEIN - If I can, budget papers provide for some broad expenses, employee hiring costs, consumerables. In terms of what you're looking for, you want staff and where they are -

Ms WEBB - Allowances, transport, staff, just executive parliamentary offices, office holders. Just to understand the breakdown of it. I can leave it with you.

Mr GUTWEIN - Yes, because we don't have that little detail. I am happy to provide the breakdown on that.

Ms WEBB - That's all I had from that one.

CHAIR - Okay.

Mr GUTWEIN - In taking that on, would you write to me with the detail?

CHAIR - We'll write to you.

DIVISION 7

(Department of Ministerial and Parliamentary Support)

Output Group 1

Support for members of parliament

1.2 Support for Members of the House of Assembly

CHAIR - We'll move to 1.2 Support for Members of the House of Assembly.

Ms WEBB - I'm similarly interested in this one to understand that you need more finer detail of what fits into that funding amount. Looking at page 200, there's a broad description that it's about funding to all elected members of the House of Assembly to support them in their electorates. It covers allowances, staff and travel costs, and office facilities. I'm interested to see the breakdown in a finer, granular way of those different elements that are covered in that amount.

Mr GUTWEIN - I'm happy to provide you with them as well as we can. The information I've got is at a high level. I have FTE's and again, not a breakdown to that level.

Ms WEBB - I'm interested also in staffing in particular. That's one element of it: how that is determined, how often it's reviewed, and what the breakdown is for staffing allocation where it currently sits across government, non-government, independent party.

Mr GUTWEIN - I've actually got the breakdown here for that.

Your Liberal electorate offices 13.6 staff. Office of the Leader of the Opposition, 10.4. Opposition electorate offices, another 9.5. This is FTE. In Tasmanian Greens, 4.9. Independent lower House, 2 FTE.

If it suits you, if you were to write and ask in terms of 1.2 and budget paper page 200, we could provide a breakdown of the allowance of staff across travel and office facilities in line with what's in the line item. I'd be happy to provide that to you while we can.

Ms WEBB - Thank you. Have there been any requirements to provide additional resources in these spaces covered by this line item during the COVID-19 period?

Mr GUTWEIN - In terms of electoral offices okay, that's a reasonable point. There was additional cleaning support that was provided to offices and that has been the main across government. I'm just thinking of any other supports that were provided. I don't believe that there were but we can answer that question as well.

Ms WEBB - Thank you.

CHAIR - Okay. No other questions on that one?

DIVISION 19

Output Group 1

Support for members of parliament

1.1 Support for the Governor

CHAIR - We'll move to Support for the Governor in Budget Paper No.2. Volume 2.

Mr GAFFNEY - Yes, there's not a lot to ask here. How does the Governor put their case to you? Is it like 'Dear Peter, I need some more money?'. Kind regards, Kate'? How does that work? The footnote says, and it's nearly up for the award, 'the increase in the support of the Office of the Governor reflects additional funding provided to support office operating costs'. It doesn't really tell you a lot but I'm not overly fussed by it. I'm wondering how you determine an increase of \$393 000 and then so much about \$100 000 - \$75 000 - \$88 000 for the next three years?

Mr GUTWEIN - I have the principle private secretary outside. In the main they would make a submission into the budget process the same as any other large or small agency would. They request funding for those aspects or those items or projects which they require funding for. They go through the same process.

Mr GAFFNEY - That's fine. I don't have any further questions.

CHAIR - What about the maintenance of Government House? Is that included in this? Any capital works that need to be done or maintenance works on Government House itself? Or is that dealt with elsewhere?

PUBLIC

Mr GUTWEIN - The current maintenance and conservation is based on the Government House strategic asset management plan, the SAMP, that's in place for all our buildings of a similar nature. It has a cyclical maintenance plan. During 2019-20, Government House proceeded to approve the maintenance projects as part of a \$50 million public building maintenance fund that we announced as well. Allocated was \$231 000 with \$92 000 that was spent in 2019-20 with remaining \$139 000. The range of other projects that are inconcluded as part of the Strategic Asset Management Plan that are ongoing and will be looked at in 2020-21, for example, restoration of selected furnishings in storage for reuse, a conversion of a cold cellar into a wine cellar, cataloguing appropriate shelving of the dispersed Government House collection of books, reinforcement of some retaining walls, installation of heating, and a range of other minor maintenance matters as well that they bring forward.

But as I say, in terms of the process -

CHAIR - Yes, that's the additional funding. I'm looking -

Mr GUTWEIN - But you're asking if it's included in that line item.

CHAIR - Yes, that is. But is there normally maintenance funding in here, or is that normally part of the Treasury or somewhere?

Mr GUTWEIN - No, I think that's in their allocation. Through their allocation, is my understanding.

CHAIR - All right, through their - because it does talk about -

Mr GAFFNEY - They did get some public housing maintenance through the program.

CHAIR - Yes, we were just talking about that then.

Mr GAFFNEY - Yes.

CHAIR - That's what he was referring to just then.

Mr GUTWEIN - I think Andrew's just going to go and ask the question.

CHAIR - Right. When you look at the appropriation, it's support for the Governor, which I'll assume is the total operating services expenditure, but there's no capital expenditure in there. Maybe the maintenance fits under the - no, that's only a one-off.

Mr GAFFNEY - Yes, but it says 'maintain the Government House's state to a high standard' is one of the criteria of that \$4 million as well.

CHAIR - Yes, I just ask, is it funded through this line? Yes.

Mr GUTWEIN - So in terms of the additional maintenance in line with the Strategic Asset Management Plan, there is additional funding and Finance-General, and they invoice as they do the work.

CHAIR - Okay. It comes through Finance-General, not out of this appropriation.

Mr GUTWEIN - No.

CHAIR - No, okay. All right, thank you. Any other questions?

Mr GUTWEIN - This might just interest the committee. The question was asked in terms of curtailing the Governor's activities during COVID-19. In 2018-19, 1 July to 30 June, there were 235 external events attended by the Governor from 1 July 2019 to 30 June 2020, 155. There was a significant impact on the Governor's role through that period for obvious reasons.

CHAIR - Yes. Okay, no other questions on that? Thanks, Premier. We'll let some of you people go, and we'll get others in for Treasury.

DIVISION 4

(Department of Finance-General)

Output Group 1

Debt Servicing and Management

1.1 Debt Servicing -

CHAIR - Welcome back, Treasurer, to Treasury - or Finance-General to Treasury, your responsibilities as the Treasurer. I'll get you to introduce the members of your team at the table, and then if you want to make a brief statement about Treasury, which may or may not be necessary. I don't know. You might want to look at this slightly different from Premier, but we'll leave that up to you.

Mr GUTWEIN - To my right, welcome to the table, Tony Ferrall, Secretary of the Department of Treasury and Finance; Andrew Finch has been with me this morning, Chief of Staff; and James Craigie, Deputy Secretary, from Treasury and Finance as well.

I have an opening statement to make, but in the interest of time, I will set it aside and let's get on with the questions.

CHAIR - There are some overview questions, but I might open up the file note on 1.1 in case there are areas we need to get further information from, because debt servicing does cover the need to actually deal with our debt, so we'll - in the whole Treasury - so if there's -

Ms WEBB - I just have those overview RTI questions.

CHAIR - Yes, so I'll just put them here.

Ms WEBB - Put them in that.

CHAIR - Yes. Do you want to go and do that?

Ms WEBB - Of course. When we spoke in the context of DPAC, in the context of - and I'm not sure if we covered this yesterday, perhaps, with the minister. Would we have covered it for Treasury with ministers?

CHAIR - The RTI request?

Ms WEBB - The RTI requests.

Mr GUTWEIN - RTI, PESRAC?

CHAIR - Do they cover the whole -

Mr FERRALL - No. I'm happy to address whatever questions you may have.

Ms WEBB - So running through it, how many RTI requests were made in 2019-20? In the 2019-20 financial year, and a comparison figure to the year previous to that. What percentage were responded to within statutory time frames? What percentage of requests were refused? Then, if some were refused, a series of questions relating to the refused requests.

Mr FERRALL - I'll get the data to start with, if that's okay. I think yesterday you addressed 2018-19 as well, and I indicated we didn't have the 2018-19 data. I haven't brought that.

Ms WEBB - That's right. I asked for comparison.

Mr FERRALL - Yes, and that was put on notice, I think, from yesterday's hearing, so we'll provide the 2018-19 data through that process. But for the 2019-20 year, we had a total of 19 RTIs received. That's on Treasury. We also undertake RTIs on behalf of the Treasurer and on behalf of the Minister for Finance as well. We had five RTIs for the Treasurer, and we had none for the Minister for Finance in 2019-20. In 20-21, as at 2 November, we've had five RTIs on Treasury and we've had none on the Treasurer and none on the Minister for Finance.

Of the RTIs received in 2019-20, for Treasury we had eight where the information was released in part or in full. We had two where the relevant information was fully exempt. We had one where the RTI application was refused; that includes an application where some of the information was disclosed under an act of disclosure. Three RTIs were withdrawn by the applicant and we have three - this is out of the 19 - where there was no information held by the authority. We had one that was transferred to another authority. In the same year, 2019-20, for the RTIs for the Treasurer, we had three where the information was released in full or in part. We had one where the application was refused and we had one where it was transferred to another authority.

Ms WEBB - Of the ones that were refused, were any refused because they were to be determined within the statutory time frame?

Mr FERRALL - Sorry, did you say refused because they couldn't be determined?

Ms WEBB - No, because they weren't determined within the statutory time frame, which in some cases deems them refused.

Mr FERRALL - Not that I'm aware of. I'd have to go back and check with the RTI office on that. We would have had some RTIs where we had gone back to the requestor and sought further time periods to deal with the RTI, but I'm not aware of anywhere we didn't achieve the statutory time period or the extended time period.

Ms WEBB - One of things I am interested to know is the meeting of those statutory time lines. Were either of the refusals then appealed to the Ombudsman?

Mr FERRALL - My recollection is we had one that was effectively referred to the Ombudsman and that is still being considered by the Ombudsman. So, you'll note in the recent Ombudsman's report - I think is probably difficult to understand the table he's put together, because in the final column where he's indicated a zero that could be interpreted as meaning that the Treasury decision was not upheld. What it actually means in his report is that he hasn't considered it yet and hasn't closed it out. But if you look at the report, you could easily misinterpret that as being in that particular application, the Treasury RTI officer decision has been overturned or overruled, but that's not the case.

Ms WEBB - Thank you.

CHAIR - Okay. I just want to go to Budget Paper No. 1 for a bit, where most of the detail is around the Budget. So, Premier, I note you haven't altered your fiscal strategies even in light of the significant challenges that we've had with COVID-19. Fiscal strategy 3 mentions the competitive tax environment, with taxes to be efficient, fair, simple, stable and sustainable, so five criteria in total. I'm interested in whether you think we have taxes - like payroll tax or land tax or conveyancing duties, insurance duties or gambling taxes - that actually meet all those criteria in broad terms. We have seen, in New South Wales at least, the decision to start a conversation and make some moves towards measures of tax reform. I ask you to reflect on the taxes we have in terms of your fiscal strategy No.3.

Mr GUTWEIN - In terms of the transaction taxes, stamp duty is the prime one, and I think that's probably worth discussing in terms of where New South Wales is at. It's not seen to be an efficient tax, but one of the issues - and certainly something that informs me - is that I see no market failure in terms of that stamp duty. The property market continues to function appropriately. In fact, at the moment I think some would argue that it's going very well. Prices are rising, the volume of sales is held up and as a tax it's delivering significant taxes to the Budget problem.

CHAIR - It is, but it's not meeting your criteria.

Mr GUTWEIN - It's difficult to argue there is market failure. In terms of the situation in New South Wales, my understanding is that the Treasurer, Mr Perrottet, has provided for an opt-in process that you can have a long-term land tax as opposed to a stamp duty, and he started that conversation. I have to say, on the basis of ensuring you have consistency in terms of revenue, having land tax as opposed to a stamp duty certainly makes a great deal of sense. A range of discussions have occurred at the national level. The federal Treasurer is always interested in discussing taxes.

CHAIR - Reforming them or just getting them?

Mr GUTWEIN - Well, no. In terms of ensuring the context of tax reform and having a more efficient and sustainable tax base, the challenge we face in Tasmania, and again, it comes back to that issue as you well know, and we've been a part of this now for a long period of time, to actually broaden our bases means that we impose taxes on a lot of people who currently don't pay tax. You'd need to have Commonwealth support to do so. There has been no appetite at all at a Commonwealth level for support to the states.

CHAIR - Even though the federal Treasurer likes to talk about it.

Mr GUTWEIN - No appetite at all for support to the states. I note a lot of commentators say we should be reforming tax at this particular time. The simple fact of the matter is very few Tasmanians actually pay state tax.

CHAIR - That's right.

Mr GUTWEIN - In terms of the taxes they do pay, if they engage in a transaction whether that be through purchasing a lottery ticket or purchasing a home, they'll pay a level of tax. I've certainly taken the view that right now isn't the time when we should be adding further - stress isn't the right word, but adding something else to the public discourse at a time when many Tasmanians are actually just simply trying to get through this.

CHAIR - Yes. I entirely accept what you say about needing the federal government to be engaged in this conversation. Obviously, conversations like this do take some time. The New South Wales Treasurer and I assume his premier have made a decision they're going to start looking at it. Is now the time though, to at least try to engage the Commonwealth and the federal Treasurer in having a conversation about what it could look like in the future? We are at a point in time here, hopefully, we're going to recover from this.

Mr GUTWEIN - I'm certain we will. But at the moment, my view as Treasurer is that are we in a position where we will over time receive an adequate level of receipts, and at the moment it's difficult to look forward in terms of the state tax base. Unless we're looking for - and some people do argue for - significant increases, at the moment it's delivering for the state.

CHAIR - I'll just follow on from that then, Treasurer. It might have been in your Budget Speech, you said growing the economy is the best way to grow revenue, and particularly state revenue because we're now in the position where 67 per cent of our revenue is from the Commonwealth. Quite a significant reliance on them. But in the forward Estimates of our source revenue - and I did raise this with Mr Ferguson yesterday in his portfolio as Minister for Finance - we're not seeing any expected growth from your own figures in our own state revenue. So 2022 is \$2.4 million; 2023, 2.406 and then same in 2024. So that doesn't show an economy growing and revenues growing as a result of the economy growing. Do you want to explain why you see that to be the case?

Mr GUTWEIN - Tony can unpack the different tax lines. If we look at policy parameters in terms of taxation, on 55 you can see that in terms of duties, significant growth. Fire service levies flattened. Government guarantee fees are slightly lower. Land tax grows, which is obviously a concern for some at the moment.

Mr VALENTINE - It certainly is. I might talk about that in a minute.

Mr GUTWEIN - Lottery tax has some growth. Motor tax flattens, and in terms of the overall tax package, the payroll tax modelling moving forward, which Mr Ferrall can unpack as he did yesterday if he wants, in terms of the modelling that's been applied there, which demonstrates that it comes off a little bit across the forward Estimates.

CHAIR - That's the parameter change. There are policy changes as well. Well, not many in the forward times.

PUBLIC

Mr GUTWEIN - The impact in 2020-21, the changes are largely as a result of the fact that in land tax, we've committed to providing those businesses that operate in commercial tenancies and have been impacted by the pandemic with the removal of their land tax bill for the current year. That's a policy position that we announced some months ago.

CHAIR - So commercial only refers to retail. I know Rob may want to go down this path as well, but you're not talking about landlords of the residential property.

Mr GUTWEIN - No. This is -

Mr VALENTINE - It's different.

CHAIR - We'll come back to your question in a minute, Rob.

Mr GUTWEIN - This was those businesses currently paying a lease in a commercial property, that have had sufficient impact on their business and turnover, and therefore are in a position where they can apply for land tax relief. It's interesting though. As a Treasurer, obviously more tax receipts is always better. At the end of the day, who pays it is the question. The issue of tax reform for a small state of Tasmania's size, to engage in any form of meaningful tax reform you would need federal government assistance, as has been argued now for the last decade.

Mr VALENTINE - That's the point that we were making yesterday in affordability. In your Budget Papers, delivering statewide, you talk about protecting the Tasmanian way of life. A lot of people who own shacks - and I've got some, I'm a shack owner but I'm not concerned about myself at this point. I'm talking about the bus driver who's not on a huge wage, who has inherited the family shack. Have a look at this, and looking at the land values in Tasmania in comparison to other areas. To give you one example on \$300 000 of land value, \$1562.50 in Tasmania; in Victoria, \$375. Nothing anywhere else across Australia. If you go up to \$750 000, you've got \$7837.50 in Tasmania. Victoria, it's \$1725. That is a huge difference.

I understand your need for revenue. Everybody understands need for revenue. In Tasmania, there aren't that many places you can actually go to. So, the question is: are you going to review this in a way that is more palatable for everybody in Tasmania? It's forcing people to lose their lifestyle. It's part of the Tasmanian lifestyle to be able to go to the shack and enjoy yourself.

Mr GUTWEIN - The examples you provided are not contextualised to Tasmania though. You couldn't possibly be saying to me that somebody who own \$750 000 worth of land is a shackie.

Mr VALENTINE - No, no. You've got \$25 000 is \$50, and \$100 000 is \$462.50, \$200 000 is \$1012.50. Nothing anywhere else across Australia. I mean, there it is. You can have a look. That's the comparison, right? The point is that I'm not saying you shouldn't be collecting land tax, but maybe there's a more equitable way of being able to provide yourself with the level of funding that is spread more evenly across -

Mr GUTWEIN - So who would you have me tax?

Mr VALENTINE - I am saying that you need to review it. I haven't got the solution.

PUBLIC

Mr GUTWEIN - No, but that is the question that has to be answered. If you're saying we should continue to maintain our current revenue, the question is: who do you want me to tax?

Mr VALENTINE - Well, look at the comparison.

Mr GUTWEIN - Again, are you suggesting we should give away tax?

Mr VALENTINE - No, I'm not -

Mr GUTWEIN - No. I didn't think that's what you were doing.

Mr VALENTINE - No, I'm not suggesting that.

Ms WEBB - He's suggesting we review it. When we have a hard question, we review and ask experts to provide input.

CHAIR - Which the plenary did some years ago, but anyway, here we go.

Mr GUTWEIN - I and others at this table were a part of a broader tax review program as well. In terms of tax, I make this point: I understand a number of Tasmanians don't like this tax, but the reason their tax has gone up this year is because their property values have.

Mr VALENTINE - I realise the tax hasn't risen. It's just the fact that it's not indexed in a way that is palatable. If I can give an example like local government, when they set their rates, say they need \$1 million - a tax rate of \$100 million out of their rates, which is not the case, but let's say it is, they take so many cents in the dollar of assessed annual value right across the board. So when the land values rise, they have to recast that tax in cents per dollar to give them \$100 million because they're not allowed to collect more than what their budget says. Clearly when the land values rise, as they're doing at the moment, the Government's getting the windfall.

Mr GUTWEIN - But if you look at the overall tax mix we've got across the forward Estimates, as Ms Forrest pointed out, there isn't significant growth because there are different tax lines that rise and fall. It's the fall that I'm interested in. Now, if I change a particular tax like land tax, then I affect the overall size of the pool unless I reach in and tweak another tax up.

Mr VALENTINE - Well, a broad review - haven't you had a motion on the books at some stage about tax review?

CHAIR - Yes, we've talked about it ad nauseam.

Mr GUTWEIN - We're actually part of one.

CHAIR - I know. We sat on the tax review panel together, and if I might make the briefest of comments, there was broad support for broadening the base and lowering the rate, but there was no political appetite.

PUBLIC

Mr GUTWEIN - No, I think it would be fair to say - and if I can recall, the then Treasurer, who was Lara Giddings, I think, ended it. She had started it.

CHAIR - She had started it, yes.

Mr GUTWEIN - But on the basis there was no support at a federal level -

CHAIR - There was that too.

Mr GUTWEIN - That had been ruled out. There was no point in proceeding.

CHAIR - You need a transition report, and the federal government won't come to the party.

Mr VALENTINE - This was a tax that was supposed to have been abolished some -

CHAIR - No.

Mr VALENTINE - Yes, it was. It was actually stated that it was going to be abolished.

Mr GUTWEIN - I took a policy to the 2010 election, that over a 10-year period we would phase out land tax, and we never got elected, so Tasmanians didn't want it.

CHAIR - Do you still stand by that?

Mr GUTWEIN - In fact, Tasmanians told me they didn't want it.

CHAIR - Exactly.

Mr VALENTINE - Did they free you on that basis? I don't know.

CHAIR - We had no mandate.

Mr VALENTINE - If you only had a mandate to put it on the agenda.

Mr GUTWEIN - We weren't elected, and Tasmanians obviously didn't see that as being an important policy. It would be fair to say - and since I've been Treasurer now, going back to the last re-eval, which I think might have been 2014-15 across - obviously it moves - it's at different time frames. But we've had similar discussions in this Chamber, and the function of the strength of the Tasmanian property market to some degree causes the issue that we're discussing now.

Mr VALENTINE - It does, there's no question about that.

Mr GUTWEIN - In terms of that strength, it also increases the equity value that Tasmanians hold. To be frank -

Mr VALENTINE - Yes, but you can't sell your house if it's the only one you've got.

Mr GUTWEIN - You won't be paying land tax on it if it's the only one you've got.

PUBLIC

Mr VALENTINE - Okay, your shack then.

CHAIR - You have to live in that.

Mr VALENTINE - No, you don't have to live in it, but it's still changing the lifestyle. That's the point.

Mr GUTWEIN - No, but you could be generating an income from it for part of the year if that's what you wanted to do. I have some sympathy. Nobody likes paying tax. I understand that. But the fact with land tax at the moment, in terms of the increases people are seeing, is because of the property market. Against all odds, I'd make that point.

Earlier this year, one of the concerns both Treasury and federal Treasury had, and I think many property owners as a result of the pandemic would be that we would see a significant impact on land values and property values. Now, here in Tasmania we haven't seen that, and I think largely around the country it's held up. Victoria might be struggling a little bit at the moment, but largely around the country it's held up.

Mr VALENTINE - You're doing too good a job.

Mr GUTWEIN - It's a difficult thing. If you're faced with a land tax bill of a couple of thousand dollars that you don't want, it's difficult to stand back and look at the context and say, 'Would I prefer to be paying an increase this year of \$500 or \$1000 worth of land tax? Would I have liked my property value to be dropped by 10 or 15?', because that was what we were faced with at the start of the year. In the main, those people who have received increased land tax bills, as difficult as it is and as much as tax annoys them, they've improved their financial position as a result.

Mr VALENTINE - It's interesting stuff. You can keep that.

Mr GUTWEIN - I will keep it and I'll have a look at it.

Mr VALENTINE - Have a look at it and see what you think. It's probably unpalatable to be putting land tax on every property in Tasmania, including a person's home. But if it was at a much lower rate it might be something that could be -

Ms GALE - With appropriate concessions.

Mr VALENTINE - And with concessions.

Mr GUTWEIN - To put land tax on the principal home is somewhere I simply didn't go. I can't see any government ever being brave enough to do that.

Mr VALENTINE - I'll leave it with you, something to look at and hopefully review.

Mr GUTWEIN - Thank you.

CHAIR - Premier, you did say in those comments that people don't like tax and my dad is certainly one of those, probably thinks he shouldn't have to pay any tax. However, I've spoken to people in our community and you have too, and they're not averse to paying state

taxes when they're in a position to do so and when the money is used wisely, with good leadership, which you've shown during COVID-19. Is there an opportunity to have some of these conversations while you've got a bit of political capital there?

Mr GUTWEIN - The view I've taken is that as we come through this, there will be uncertainty. I think the Budget hopefully - in terms of the forecasts by Treasury have provided - provides for our snap back to the growth in our economy next financial year, by 3 per cent. However, we are in uncertain times right now. To be frank, I was surprised the New South Wales government would actually embark upon a taxation discussion at this point. They could be Victoria in two weeks. We need to manage our way through this. We've got a community that's fragile but, as I said, cautiously optimistic about our passage out of this. I honestly don't believe that right now is the time for a discussion about tax reform as long as the federal government continues to resist playing a part in it. For a small jurisdiction like Tasmania, we won't embark on it.

CHAIR - So, the only alternative is for the federal government to stump up with more and more support, so we to become more and more reliant on them?

Mr GUTWEIN - No, in our tax lines, if we grow our economy, we will see an increase in payroll tax over and above what's -

CHAIR - That's not what your forward Estimates say.

Mr GUTWEIN - No, if we grow our economy and if that continues over the forward Estimates I hope we see growth in jobs and in payroll tax. If people are confident then they'll engage in other transactions and we'll see an increase in tax revenue. That's the view I've taken right through my time as Treasurer. If people are confident, they're investing. If they have jobs, then our taxes will continue to rise in an appropriate way.

CHAIR - We'll need to see what next year's budget looks like, which I'm sure your secretary doesn't even want to think about until after Christmas.

Mr GUTWEIN - With an August budget now he doesn't have to.

CHAIR - That's right. Yes, it was all about him.

Mr GUTWEIN - He thinks about nothing else, I can assure you.

CHAIR - Treasurer, I'd just like to go to the long term -

Mr GUTWEIN - I think we've moved on.

CHAIR - Did you want to say something?

Mr FERRALL - When you're looking at some of the growth rates, be careful you don't misinterpret the base year, because there are a number of waivers and changes that have been made in that 2020-21 year. Depending on how you're doing the averaging of the growth over the time period, you might misinterpret what the growth is. Even in payroll tax, I think you indicated there was no growth, but there's growth of 1.8 per cent, 2.6 per cent and 3.5 per cent across the forward Estimates based against the previous year.

Most of our state tax lines are similar. Some have low growth, I accept that - given the environment we're in. It isn't that they aren't growing, and if a return to say, in the 2023-24 year which has payroll tax growing at 3.5 percent, that's the long-term average growth in our payroll tax. So, we are seeing growth in our taxes, albeit off a lower base, and more a glide path to normal growth as opposed to a step change.

Mr GUTWEIN - One point I'd make too, in terms of glide path. Part of our thinking with the August budget next year was that in providing a glide path back to a May budget, it seems sensible this year, rather than be in the Budget process right now and hand down another Budget in five months' time, it seems sensible to put a little bit of time in that so we have seven to eight months. Then we have another almost 10 months until the next budget in May the following year. It provides a glide path.

CHAIR - Long-term sustainability - when do you think it would be possible for annual revenue to actually exceed annual payments? I'm not talking about the net operating balance here; I'm talking about the government revenue to be greater than outlays. This is one of your fiscal strategies. In addition to that, will we still see the five-year sustainability review that was due next year?

Mr GUTWEIN - Working backwards, yes, you will. Mind you, that's a Treasury process.

CHAIR - That's what Tony's doing over Christmas.

Mr GUTWEIN - It's certainly our intention. That was towards the same five-year time frame and so that will be done. Regarding when we actually have more than enough cash to meet our operating expenses, if you go to the cash-flow statement, we actually paid for meeting all of our cash operating expenditure next year with a small surplus, and then we start to throw surpluses between \$300 million and \$400 million in the two out years. That's page 51, the general government cash flow statement.

CHAIR - Is it 141? Probably on both.

Mr GUTWEIN - Both. Looking at general government.

CHAIR - Yes, it's the same table.

Mr GUTWEIN - If you look at the 2020-21 budget, net cash flows from operating activities drops, drawing a significant deficit, over \$800 million. But then in 2021-22 moving forward over the forward Estimates we start to throw cash surpluses almost immediately. That doesn't take into account expenditure on our infrastructure, so we obviously borrow for our infrastructure, but it means we're paying our way in terms of our operating expenditure - the people we employ, and our supplies and consumables.

CHAIR - You've included that.

Mr GUTWEIN - In terms of our infrastructure, as we start to move forward, our borrowing starts to reduce as a result of the fact that we're throwing more cash than we're spending, we're able to spend that cash on our infrastructure. At the moment, in effect for the 2020-21 year, in a cash sense we're borrowing both to meet our operating expenditure because

of our circumstances, and for our infrastructure. Which is why we end up at, broadly speaking, \$1.8 billion worth of net debt at the end of this financial year.

CHAIR - The other thing - I don't know if it's best to do it here, Treasurer - when we spoke earlier under Premier about the TT-Line replacement vessel, you said Mr Ferrall was all over that and maybe he might like to respond to that issue now. There was some recent media around connections with Austal for one, and the Premier is not so much favoured - as advisor to the previous Premier, you might not want to comment on that.

Mr GUTWEIN - I wouldn't say not so much favoured; I have said publicly that when he provides gratuitous advice through the media again, I take as much notice of it as certain matters he used to raise with me when he was here. Not very much. But sitting outside, just in terms of TTI, I think Mr Ferrall's in the position as chair of that task force to outline where that is up to and the processes they've been involved in.

Mr FERRALL - Yes, thank you. The task force met three times. We have another meeting coming up and we're going through a fairly rigorous but quite obvious process of trying to meet the terms of reference. We've appointed expert advisors to deal with some of the issues raised in the report that came out on the weekend - and I will comment we're getting expert advice on those matters, in terms of C State and impact on various vessel types. We have met with -

Mr GUTWEIN - Can I say that was in train - as I understand it.

Mr FERRALL - It was well in train.

Mr GUTWEIN - Well in train before the helpful advice over the weekend.

Mr FERRALL - So our advice isn't coming from the media. It's not coming from hostile advertising or even from Incat advertising. We're going through a structured and careful, methodical approach and we'll present a report to the Premier and the minister probably towards the end of January.

CHAIR - All options are on the table at the moment, as to whether it can be built in Australia, or will need to be built overseas; or it can be fitted out here if built overseas; and where it can be built overseas?

Mr FERRALL - To be clear, we're not conducting a tender process. I think it's almost being interpreted in the media that we are. Sorry, my apologies. We are agnostic regarding where the vessels may be built. What we're looking to do is identify whether there are domestic - in terms of Tasmania - and national options that would be feasible; to identify the risks and benefits of those options; and particularly what might be the economic benefits both in Tasmania and in Australia if the vessels were to be constructed or part-constructed in Australia. From our point of view, there's likely to be a set of risks and benefits in doing that, and we're ensuring that we identify for the Government those risks and the benefits, so the Government can consider our report and make a decision as to whether it then proceeds with any particular option or proceeds with a domestic tender or potentially moves back to the previous proposition advanced by TT line.

PUBLIC

CHAIR - You're doing some economic modelling - is that what you're saying - of the risks and benefits because if it was to be built in Tasmania for example there'd be lots of flow-on benefits to jobs and other things. Are you doing that modelling in Treasury?

Mr FERRALL - Yes.

CHAIR - With all due respect, Premier, the expertise is there to do all of that?

Mr FERRALL - Economic modelling, yes. Specific maritime modelling, no - that's where we're buying in expertise.

CHAIR - Where's that being funded through?

Mr FERRALL - At the moment, we're funding that effectively through Treasury's budget. At this point I'm of the view that we'll be able to meet that within our existing allocation. If we're not able to meet it through our existing allocation, there's funding and finance general, which deals with GBE and SOC reviews we could utilise.

Dr SEIDEL - You mentioned you were buying extra maritime expertise. Are you able to disclose where that expertise comes from?

Mr FERRALL - We went to a selective tender process and chose a firm that was providing that advice.

Dr SEIDEL - When do you think you will receive that advice, considering that you are advising the Premier in January?

Mr FERRALL - It'll be completed definitely before January.

Dr SEIDEL - Haven't we received that advice as yet?

Mr FERRALL - We've received part of the advice but it hasn't been considered by the committee yet.

Dr SEIDEL - When is the committee sitting again?

Mr FERRALL - Next week.

Dr SEIDEL - Will the advice be considered at the time?

Mr FERRALL - Yes, it will.

Dr SEIDEL - Thank you.

CHAIR - Any questions on that point? I'd like to explore some matters under this line of debt servicing. I appreciate that sometime this year I had a briefing with some of your Treasury people about the RBA's involvement in buying TASCORP bonds. I'm still a little bit intrigued by this approach and don't fully understand it. I'm not sure if anybody on the other side of the table would either. I want to put a scenario to you, Premier, that the RBA now owns some of our debt and some of the debt owned by all state governments; as I understand it, they

bought up bonds from all states and are potentially going to acquire more, depending on what happens with the COVID-19 response. If the RBA say ends up with, say, \$50 billion of state debt, which it could do in terms of the whole country, and then if that debt is distributed amongst all states in roughly the same proportion to our population, in that case, the RBA would own about \$1 billion worth of TASCORP debt.

So, if all this debt was to mature at once, which I'm assuming it would if they bought it all at the same time, I'm not sure how they work?

Mr FERRALL - That would be unlikely. The Reserve Bank has indicated it is taking action to effectively keep yields on bonds issued by CVAs low - and the Reserve Bank Governor has made numerous statements in terms of operating the secondary market and will continue to do so. They would buy - if they were - through the secondary market, TASCORP bonds which could have a range of maturities because we don't issue to a single point.

So, the Reserve Bank would effectively own some of TASCORP maturities. We don't necessarily know who owns those bonds, because they're tradeable; and so, the Reserve Bank - I'm not saying they would, but they could - trade those bonds and we wouldn't know whether they owned them.

I think the premise that the Reserve Bank is going to own a particular proportion of our bonds starts with a set of assumptions that probably won't hold. They will be operating across the yield curve where they believe they can work appropriately and across jurisdictions. We're aware they have purchased some of TASCORP's bonds, but we've issued those in various ways, most of our holdings are through domestic Australian banks.

CHAIR - Let's just go back then to the bonds they have purchased from TASCORP. Notionally, they could just write those off and not call them in. After all, the government thankfully, finally, thanks to Jacqui Lambie perhaps to some degree, wrote off the Commonwealth housing debt. That's just gone.

Mr FERRALL - I guess notionally they can. That is probably an unlikely scenario because they effectively end up with an asset and a liability on their balance sheet when they purchase our bonds. To write that off -

CHAIR - They have to do it with all the states. I'm not just saying they're going to just do ours and leave the others. Unless Jacqui strikes again.

Mr FERRALL - Notionally that could happen. It's an exceedingly unlikely scenario.

Mr GUTWEIN - It would be an unlikely scenario.

Mr FERRALL - That would be the equivalent of the Commonwealth absorbing all the debt that the states have and taking on all the repayment obligations of all of the states.

CHAIR - They're giving out of one pocket to the other pocket, because the federal government owns the RBA and so they could.

Mr FERRALL - They could. As we discussed, when we met on this, there are some interesting things which may or may not happen when you go down to that scenario, including

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what that might lead to in regard to domestic inflation and other things which would potentially create other significant market problems. It is technically feasible. I think it's just -

CHAIR - It's really a book entry, so how is a book entry inflation -

Mr FERRALL - Well, it's not really a book entry. At the end of the day -

Mr VALENTINE - Devalue the dollar, wouldn't it?

Mr FERRALL - Potentially could devalue your dollar. That's the challenge.

CHAIR - Not if it was treated equitably. Yes.

Mr FERRALL - One of the issues with - as we discussed before with modern monetary theory - is that it's underpinned by an assumption that you can effectively keep issuing debt and not impact on inflation, and that you know the point when inflation will be triggered.

CHAIR - Based on employment and demand.

Mr FERRALL - Yes. If you look at the sort of history of the world, there's been no government and no individual has known that point. The other issue is if Australia as a sovereign nation went down that path, some other sovereigns, other countries, have to look at Australia and say, well, do we support Australia in this manner, and are we willing to trade with Australia, and is the Australian dollar a currency that we're willing to hold as a valuable currency? Now, if you get to a point where they don't, which if you go back in history, the Second World War, then we can issue as much currency and as much debt as we like. But if there's no value in it for the rest of the world, all we have is hyperinflation.

CHAIR - I'm not saying that's that - yes.

Mr FERRALL - But for the theory to work, you have to know things that are unknown, and you have to be able to know at what point certain issues will happen, including inflation. If you can find somebody that can tell me at what point that occurs, then we might have a different debate about whether or not it can work.

CHAIR - While we've got higher unemployment - yes. Would you agree, Treasurer, while we've got higher unemployment that we do need to keep supporting the economy to try to get people into work, because that's the only way to really deal with this potential crisis that we can see? We know the impact of JobKeeper and JobSeeker. We talked about that earlier. But if the federal government do pull that back, and there will be less disincentive now that it appears that Victoria now has a situation where they can start to rebuild their economy. So there will be a greater pressure, I guess, from some within the federal government to start reducing that, which will put a lot of people in Tasmania in very difficult positions, and people will potentially lose their jobs that they have had or been supported to have through JobKeeper, for example.

Mr GUTWEIN - There are a lot of different scenarios that could potentially play out. In terms of supporting the economy at the moment, one of the reasons why we have the \$1.1 billion operating deficit this year, that's exactly what this budget does. It's how we've got

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the task and the ambition to try to get \$1.1 billion-worth of infrastructure out the door over the course of this period in front of us.

CHAIR - But your record I'm getting of that out the door is not so brilliant.

Mr VALENTINE - Fifty per cent being spent.

Mr GUTWEIN - What's interesting is that if you look at last year, how 700 and the target, we hit more than 500. There were some challenges with that. Some of it was lumpy, and there were other issues that occurred. The previous year, 90 per cent of the infrastructure was out the door with more than \$700 million target for that year.

CHAIR - On that, Treasurer, we know that not just your government, the previous government - there's been this recurring theme of underspend of promised infrastructure spending. Do we need to look at other ways of not just investing in hard infrastructure, but other infrastructure? More social infrastructure? Even that conversation we had earlier around ICT and having that capacity build-up within government, and also in healthcare. We know the demands in health. I know that aged care is the responsibility of the feds who need to lift their game there. There are many areas where as a government, particularly at the moment to a private sector can take up some of the slack, if you like, that we've got some capacity there.

Mr GUTWEIN - That's right. If you look at the budget, in regard to the current spending, there's more than three quarters of a billion dollars' worth of additional recurrent spending in policy decisions alone that goes into health.

CHAIR - Mostly into acute health, rather. It's the time it's allocated.

Mr VALENTINE - Preventative programs to employ people too.

Mr GUTWEIN - The way we target this, and Ruth, you and I have spoken about this. This is a budget that's designed to support the economy. This isn't a standard liberal budget in any sense of the word.

It's a budget that goes deep into deficits. It spends across agencies, how we've made a commitment in the public sectors that we're not - no austerity measures that we'll continue to employ. I'm hopeful that in regard of our current level of public service and in terms of the outcome of, say, the Watt review that that allows us some - I won't call it interoperability - flexibility across agencies where we can actually do what a lot of people have said for a long period of time that if you need people on a specific task in the same way that we've been able to do that through the pandemic, that we've actually got the flexibility to actually work across agencies rather than silos as we have done.

One of the sectors of our economy that's taken the singular biggest hit has been in our tourism and hospitality sector. Hospitality for some period of time, because of the restrictions and the density requirements, will not return to full employment. That's just a given.

Mr VALENTINE - It's been tremendously hard for them/

Mr GUTWEIN - It has been. In the visitor economy we might be pleasantly surprised by the time we get to January as some of that capacity is taken up with increasing visitors in

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seats of planes into the state. Yesterday John Fitzgerald provided tourism numbers of that. I think we're going to be expecting in December to be around 95 per cent - I think it was 95 per cent. I'd have to check that.

CHAIR - We'll get it when we get to tourism portfolio, if you like.

Mr GUTWEIN - At about 95 per cent of the capacity into the state during December, which is just unheard of even two to three months ago when we were starting to frame up this budget. In fact, the budget was premised on the gradual reopening, and hopefully having some movement between - or broadly moving back between the states. If those capacity numbers Tourism Tas are forecasting and with what the airlines are telling them will be available, if they are filled we'll have a busy summer. Our biggest challenge will be on the health front because we will have more people in the state from all jurisdictions around the country mixing, and there will be that challenge in the social distancing. That's the risk that we run.

CHAIR - Some of your staff want to have a break and take leave over Christmas, too.

Mr GUTWEIN - We even touch on the state of the police. They have worked night and day in terms of compliance work that they've been involved in. We've got a Sydney to Hobart coming up, the management of the waterfront and how that's managed. Plus, we've got a population that, same as everywhere else around the country, once they start to get out and return to normal, they want to return absolutely to normal. We've got to be very mindful as we work our way through it.

CHAIR - Strategic action number two relates to your government debt and defined benefits superannuation liability being managed to be less than 6 per cent. It is, I think -

Mr GUTWEIN - It is 5.1 percent across the forward Estimates.

CHAIR - Yes. You're quite confident that will remain at a manageable level. I appreciate all the reasons why borrowed, and there's no argument from me on that. So, you're confident that it is going to remain below the 6 per cent?

Mr GUTWEIN - Based on the budget estimates, yes.

CHAIR - Does anyone else have any questions on 1.1? Rather than move on to the next one, we might have our lunch break and move through the rest after lunch. There's nothing you want to provide to the committee before we break, Treasurer?

Mr GUTWEIN - What about if we took just 45 minutes?

CHAIR - We're happy to do it. We always do an hour because we believe the minister wants that much, unless anyone else has a problem on this side?

Mr VALENTINE - I don't have a problem with 45 minutes.

CHAIR - No, we're happy to do that.

Mr GUTWEIN - Are you guys happy?

CHAIR - All right. Well, we'll see you back at quarter to two.

The Committee suspended from 1 p.m. to 1.48 p.m.

1.2 Interest on Sundry Deposits

CHAIR - Thanks, Treasurer, we will get started again. If no one has anything on debt servicing, we will move to 1.2. The Premier has promised to make succinct answers so we have to do succinct questions. Interest on some deposits, in many respects there is not a lot here. Interest rates low, I do not know that there are any specific questions I want to ask on this line item. Unless other members have got anything, we will move on. Debt management.

1.3 Debt Management

CHAIR - We have talked quite a bit about that and output group 1.1 in debt servicing. The only point I would make and maybe it is better to put this discussion under Government Businesses 3.4, so tell me if you prefer it there. The aspect of our source revenue is the falling revenue is coming back from GBE's in terms of contribution to our state revenues.

Mr GUTWEIN - Under 3.4.

CHAIR - You want it under there, all right. I note that debt management does not have an appropriation for the coming years. Is that because it is being consumed?

Mr GUTWEIN - Commonwealth state housing debt.

CHAIR - That is the only debt that we have got now?

Mr GUTWEIN - No that was the repayment.

Output Group 3 Government Businesses

3.1 Sustainable Timber Tasmania

CHAIR - 2.3 we have no questions on, 3.1 Sustainable Timber Tasmania.

Dr SEIDEL - Treasurer, it is on page 15. I know that since 2015 Sustainable Timber received \$2 million every year to support their fire fighting capabilities. I also know that in the last two years the dividend paid back to the Government was also \$2 million. Yet, if we look at the annual report of Sustainable Timbers the cost of fighting fire last year was \$3.1 million and \$6.1 million the year before. Has Sustainable Timbers asked you to increase your support for bushfire preparedness and their capabilities to deal with the obvious risk that they are facing?

Mr GUTWEIN - Do you want to talk about that, because we go through a process each year with them.

Mr FERRALL - There is an arrangement for wildfire fighting costs that effectively cover Sustainable Timbers. It covers the State Fire Commission and DPIPWE so that when there is a wildfire and there are additional costs incurred for, in Sustainable Timber's case if they share the of the wildfire fighting costs is greater than the effective \$2 million allocation then they get reimbursement for their share of the funding.

Dr SEIDEL - Last year was \$3.1 million according to the annual report, and \$6.1 million the year before, so the state Government support them with additional funds to make up. Because it doesn't show up in any of them

Mr FERRALL - I would have to check. They would have received additional support but I cannot clarify whether that is exactly that amount or not. In 2019-20 the bushfire cost by entity, the State Fire Commission was \$13 million; DPIPWE, \$5.9 million; Police, \$111 000; and Sustainable Timber was actually \$4.4 million.

Dr SEIDEL - So it is more than they are mentioning in the annual report then, it is an extra \$1 million?

Mr FERRALL - I am not sure why.

Mr GUTWEIN - It might be something picked up in the annual report.

Mr FERRALL - It does depend on how they are claiming it. Somebody like Sustainable Timbers has a fire fighting function which is, by virtue of them owning forests or forests on land, so it could well be that the figure they are showing is effectively what they would have expended for their own purpose. I have not got the report so I cannot answer that one.

Mr GUTWEIN - I'm happy if you want to out that on notice we will come back.

Dr SEIDEL - I will, thanks, Treasurer.

3.4 Government Businesses

Mr VALENTINE - I appreciate that this output maintains the considerable increase in appropriation received in 2019-20 budget now the increase in appropriation was provided to support three things, the third tranche of irrigation development by Tas Irrigation. Additional funding for tranche 3 of the Tasmanian Rail Freight Revitalisation Program and funding for TasWater for the relocation of waste water treatment at Macquarie Point. The purpose of sewerage and waste water treatment in Launceston and the development of the Freycinet waste water treatment scheme. Given that rise in funding, how do you receive information back in terms of acquittal of those funds? You do not just rely on the annual report for those particular organisations.

Mr FERRALL - I guess it varies. In large part for some of those contributions they are based on claims of expenditure that is incurred. They put in a claim and we reimburse it. We do not do explicit or specific acquittals in every case and in part it goes through their own audit process as well as the entities and in some cases the Auditor-General may follow through but we do not necessarily have bespoke or specific acquittals in every case.

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Mr VALENTINE - So it's \$4.24 million. It's been reduced by \$4.24 million from last's year's estimate. I'm just interested in why there's the differences in the appropriation. I'll just repeat it so you're clear. Can you explain why the forward estimate for this output has been reduced by \$4.24 million in 2021-22, and \$2.9 million in 2022-23 when compared with the forward estimates provided in last year's budget.

Mr FERRALL - I will get to that, no worries. Thank you.

Mr VALENTINE - So that's me, unless anyone else has questions on it?

CHAIR - No, I'll go back to the question I was asking about the revenues from GBEs for dividends and tax and rate equivalent income on page 93 of Budget Paper No.1. You can see that it scheduled or its estimated to fall away significantly, which is another form of our revenue. You say that tax is one area of our own revenue, but this is a pretty significant area, one we have relied on in many respects. In regards to what you wanted to raise under this area, I'm not sure how it quite fits in this area, but it is related to government businesses. This would be of some concern, and I want to know what your view is on how you're going to manage if this is an ongoing trend. We know it goes up and down and all that, but it's pretty clear from those figures that it's not looking to be going up any time soon.

Mr GUTWEIN - In the energy businesses, that's largely driven by the wholesale energy price that occurred, coming down. In the energy businesses, it's a function of the market and we've just go to manage our way through it.

CHAIR - But it impacts on our revenues, that's the point I'm making, yes.

Mr GUTWEIN - It does, absolutely.

CHAIR - I assume that's low interest rates that are seeing that -

Mr GUTWEIN - In terms of MAIV that's the impact of the growth in the new portfolio and profits then averaged out over a five-year period and they're now taking a - I'm trying to think is it a 50 per cent of the five-year average?

Mr FERRALL - I'll have to just get advice on that on what their policy -

CHAIR - So dividend policy, you're talking about now?

Mr GUTWEIN - Yes. So MAIV will be affected by the value of their portfolio on their earnings and their profit and then when we're averaging the range with MAIV because that can be quite lumpy in your overall portfolio. We've put in place a different methodology in consultation with the board to help manage this. The energy businesses are driven by the forward price of the wholesale price.

CHAIR - So if we go to TASCORP, obviously they're impacted by interest rates, but they would have varying deposits that wouldn't all be on a pretty shockingly low interest bank rate that we're all facing at the moment.

Mr FERRALL - We don't have significant holdings at TASCORP that we're relying on for a return. The one we've discussed several times is the Mersey Community Hospital. And

before you ask the question, we're still of the view that we'll be providing a dividend in the tenth year. The investments that we put in place -

CHAIR - A full dividend to cover the cost of the running of the place?

Mr FERRALL - It'll be a dividend, but I can't say whether it'll be the full cost of running it. Clearly there's impacts that have changed the yields, but other returns from TASCORP, the main issue really for us is the margin between our borrowing and investment. That's what drives our profits.

Mr GUTWEIN - Across the forward Estimates, if you view the policy and parameter statement, in 2022-23 across all of the government business portfolios that dividends, tax and rate equivalent income, ITEs, rate equivalence, we've got a reduction of \$41 million across the entire portfolio in that particular year. In what will be pretty close to a \$7 billion budget at that time, now it's practically 1 per cent.

CHAIR - We rely on the special dividends and things like that at times, and if their profits are falling you can't really go after them then.

Mr GUTWEIN - But again, when businesses have been in a position to fund them. I make the point that whilst what's occurring over the forward Estimates and as a function of the market, at the end of the day, the net impact across all the businesses is now \$41 million. That would 1 per cent of - it'll be \$70 million, so it's broadly speaking about 0.55 of 1 per cent is their overall income. It's still \$40 million that I'd prefer to have.

CHAIR - That's right, that we haven't got. Yes.

Mr GUTWEIN - Considering the overall budget, it's relatively immaterial.

CHAIR - So if we just come back to the line item, Rob was talking about the revenue from appropriation dropping down to \$61 million in 2023-24, and the footnote refers to the initial increase reflecting the payment to the racing industry of their share of the point of consumption tax. What does it mean in 2023-24, does it mean they're not getting it then?

Mr GUTWEIN - No, they pick up - so to provide some clarity on proper taxes so that we're all on the same page. That generates, in round numbers around \$12.5 million to \$13 million a year. Then there is the annual wagering levy which gets added to that, which is about \$1.5 million. There's a total wagering levy which is the current arrangement that's in place and is part of the long-term deal that was signed up to by the previous government in 2012, from memory, out to about 2050 from memory, could have been 2060. What it actually does is - we collect the PoC, we've got to take into account the impact of that original arrangement, which means the net proceeds of the PoC end up being about \$6.5 million in round figures, because the racing industry gets 80 per cent off. That's sort of the net outcome.

CHAIR - That continues, that doesn't change? That's what I thought, yes.

Mr GUTWEIN - That tax is in place.

CHAIR - The footnote doesn't add a lot of clarity.

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Mr GUTWEIN - In terms of the 2023-24 year, you can see that \$5 million in the out expense summary in table 4.1 on page 99.

CHAIR - Yes, that's the expense, but I was looking at the appropriation. Why does the appropriation drop away at that point?

Mr GUTWEIN - In terms of that appropriation, Tony will explain what's included in that.

CHAIR - Yes. It would help to know what's actually in it, because it's not very clear.

Mr FERRALL - There are a number of movements in that appropriation item. Leading through from 2020-21 to 2021-22, previously there in 2020-21 there was the \$10 million government contribution to TT-Line. So that was a one-off. That isn't including in 2021-22, 2022-23, 2023-24. Going forward you've got contributions in terms of North West Racing infrastructure, so you've got \$2 million in 2020-21, and in 2021-22 you've got \$6 million and then they drop off.

Mr GUTWEIN - So that's the 8 million we announced in terms of the new track.

CHAIR - The track in Devonport or whatever, yes.

Mr FERRALL - You've got the payments through to the Tas racing industry, so the PoC tax, so the same amounts I indicated earlier. There's a one-off payment in 2020-21 of \$37 000 which is a Tasracing borrowing support, and that falls away.

CHAIR - That's money for the racing industry, yes.

Mr GUTWEIN - With the \$37 000, I think that's to underpin the support package that was provided through COVID-19 when we shut the industry down and we gave them a one-off payment.

CHAIR - That includes that, does it?

Mr GUTWEIN - So that's the \$37 000 and interest payment.

Mr FERRALL - That was a one-off.

CHAIR - Right.

Mr GUTWEIN - There's changes in Tas Irrigation, so the tranche 3 funding in 2020-21 is \$4.8 million and then in 2022-23 it is \$34.2 million and then goes to \$25.4 million. Then you have Tas Irrigation energy on farms

Mr VALENTINE - I was going to say -

Mr FERRALL - There are so many races.

CHAIR - They're irrigating the track.

Mr FERRALL - Exactly right.

Mr GUTWEIN - Don't give Tasracing Tas Irrigation money.

Mr VALENTINE - They might want it.

Mr FERRALL - So the tranche 3 funding in, say, 2021-22 is \$4.8 million, and then in 2022-23 it's \$34.2 million, and then it goes to \$25.4 million. Then you've got the Tas Irrigation energy on farms, and that across 2020-21 is \$1.3million; in 2021-21, \$2 million; and then in 2022-23, \$2 million. Then you've got Tas Irrigation, the Don Irrigation Scheme, which 2020-21 is \$5.5 million, and then 2021-22 is \$9.5 million, and then that drops away. There's a number of those items in the appropriation.

CHAIR - Are you able to table that? It'll probably help to have a more comprehensive list.

Mr GUTWEIN - We'll get that on notice, and we'll strip that back and then provide that breakdown for that. Yes, that will go a long way towards providing -

CHAIR - Yes. There's no detail, really, in the budget papers at all that indicates - some of these other areas in the budget papers. It's not clear that's where they're coming from. Any other questions on 3.4? Okay, we'll move to 4.2

**Output group 4
Miscellaneous**

4.2 Treasurer's reserve

This is Treasurer's reserve, and it's just an appropriation to have some money soon in case you need it. We've had an interesting year. Treasurer, how much has been used, and on what out of the Treasurer's reserve? We've had supplementary appropriation bills. We've had the Supply Bill, all those sort of things, and we had to draw down on the Treasurer's reserve?

Mr GUTWEIN - Are we talking about 2019-20? I didn't think we did, did we? No.

CHAIR - No?

Mr FERRALL - We haven't used any in 2020-21.

CHAIR - We have.

Mr FERRALL - No, we haven't.

CHAIR - We haven't. Right.

Mr FERRALL - We haven't got the budget through yet.

Mr GUTWEIN - But we have included a \$70 million additional provision on that.

CHAIR - Yes. That's for COVID-19 related, or anything, like a bushfire or whatever?

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Mr GUTWEIN - A rainy day fund just for this budget.

CHAIR - Yes. Did you have a question?

Dr SEIDEL - I might follow up, because it's quite unusual. It's \$10 million, \$10 million, \$10 million. But next year, it's \$18 million. What are you expecting to happen for 2020 that's not going to happen the year after.

Mr GUTWEIN - Let's hope we don't have a COVID-19 outbreak. Let's hope again that we're not faced with two emergency situations, either an outbreak of COVID-19 over the Christmas break followed by a bushfire, so that is just funding there just in case. That's as simple as it gets.

CHAIR - This is the first year with the Financial Management Act which changed the treatment of the Treasurer's reserve from my memory.

Mr GUTWEIN - Yes, there's a different set of rules around it. The simplest way of explaining it, basically it's now capped in the past as revenue. If we had additional revenues, they will basically form part of a Treasurer's reserve. Now there's a cap and arrangement on -

Mr FERRALL - One of the reasons in 2020-21 where we've got a higher Treasurer's reserve is the Treasurer's reserve is supplemented under the act by the net additional own source revenue, and in the circumstances, we're facing, it's unlikely - well, it's not - who knows? Our revenues are less likely to grow as they have in the past and given additional Treasurer's reserve capacity. Under the old legislative framework before it was a bit more complicated, but it also included net additional Commonwealth revenue effectively as well, and it doesn't now.

CHAIR - It doesn't now?

Mr FERRALL - For those reasons in 2020-21, we've got an increase in the reserve.

Mr GUTWEIN - A rainy day fund.

CHAIR - A contingency though. It's not earmarked or anything.

Mr GUTWEIN - No. What we've done in terms of the budget - and I said this in the second reading speech and in the budget papers - we set aside \$145 million as a straight COVID-19 provision which aims with that one-off to look at where we might need to provide economic support. At this stage, there's around \$62 million of that \$145 million that's already been allocated. There was \$50 million-odd that was allocated in the budget speech, and there have been two announcements since, \$62.5million. It still leaves, broadly speaking, about \$80 million set aside for a COVID-19 response should we need it. Then we've got -

CHAIR - And then this is what I -

Mr GUTWEIN - Then we've got the additional, so it provides us - at the moment it provides in those two items about \$150 million-worth of -

CHAIR - So you would expend that before you came back to the part with the supplementary appropriation?

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Mr GUTWEIN - Absolutely. That was part of the thinking with this. If we, God forbid, end up with another COVID-19 outbreak, if that occurs early next year, we may not be in a position to come back to the parliament so we've got that additional capacity built in.

CHAIR - True. Yes.

Dr SEIDEL - Because you mentioned a COVID-19 outbreak, what scenarios have you been through with regards to COVID-19 outbreaks, potential partial lockdowns, complete lockdowns? Can you explain what scenarios you're looking at to form the budget? You've put aside the allowance you've put aside. There are differences between three days, two weeks, six weeks. What are the scenarios you've been through?

Mr FERRALL - We don't have a direct nexus between a potential lockdown scenario and the provisions in the budget. I guess judgments are made in relation to the need, but in terms of saying that level of provision would deal with a three-week or a six-week or a nine-week lockdown, we certainly haven't done that. It would be almost impossible to develop exactly what the scenario might be.

Dr SEIDEL - But you would have developed an idea based on other examples from other states and other jurisdictions, and you must have come to the conclusion that we put an extra \$70 million in there, so you must have developed some scenarios that you've been through.

Mr GUTWEIN - If you think about last year again, we set aside \$150 million COVID-19 provision. We spent \$142 million of it. The capacity that we've got here between these two items, with the \$145 million we've allocated around \$60 million-odd of that already for, broadly speaking, economic initiatives. That leaves around \$80 million. We've got a further \$70 million set aside in the Treasurer's reserve, so \$150 million across those two items as additional capacity. I make the point that if you have a look at Victoria's budget, the eye-watering numbers that have just come out of that -

Dr SEIDEL - That's right.

Mr GUTWEIN - that demonstrates the outcome that we would see if there were to be a full shutdown. Again, what this budget does is plan to get us through the next seven months. We'll have another budget in August, if necessary, and we've obviously got -

CHAIR - We have another budget in August anyway, won't we? Not if necessary.

Mr GUTWEIN - That's right.

Mr FERRALL - And relating to supply leading up to August in terms of the July -

CHAIR - So we have really enough supply just to get through to -

Mr GUTWEIN - We'll definitely have a supply build getting through July, August. Yes.

Dr SEIDEL - Premier, you also mentioned the bushfire risk. Is there any particular allowance you've made specifically for bushfires, noting that for 2021-22 it's back to \$10 million? Is there anything particular to expect for this year and the coming years?

Mr GUTWEIN - No. With the bushfires and what we've done in the past is we spend what we need. We spend what we need, and then we go through the process with the Commonwealth Government claiming back what we can. That's the way we deal with it.

Mr FERRALL - In terms of the budget management, and your line of questioning, I think what it's partly leading to is, is this sufficient or enough, or is something going to happen.

Dr SEIDEL - Well, what do you expect?

Mr FERRALL - We don't try to predict bushfires or COVID-19 outbreaks. It's not really possible for us to do that. So we don't do that. In formulating the budget, we believe that the provisions are adequate to leave any reasonable or likely contingency event that the government may need to fund. Then there are a series of other, I guess, provisions or capacity to effectively expand the budget, which would be done through borrowing ultimately, which would include coming back to parliament or the Treasurer's reserve, coming back to parliament for additional funding if we thought that we were going to exceed the appropriation capacity.

If an extreme event where parliament wasn't able to - for various reasons, we weren't able to come to parliament - there are emergency provisions in the act, which again allow the functions of government to continue. It's not necessary to have a specific nexus between what a Treasurer's guestimates of how long the state would or wouldn't be shut down underlying these provisions because they're just not created in that way.

Mr GUTWEIN - If we were to find ourselves in a situation where we needed to have additional economic stimulus, for example, we'd just shut off tax lines or we'd shut off fees or we'd do - you know, what we can to respond exactly the same way that we did through the first six months of this year. You know, we've got a payroll tax levy, we've got a land tax levy. We've got a range of other things provided for that flexibility.

Dr SEIDEL - Yes. Thank you. I appreciate the answer, but I think you take into consideration the likely and unlikely scenarios. That's why for next year or this year you have a higher allowance compared to for the years after, and the premier said, you know, it's because of COVID-19, it's because of bush fires. There's nothing else. You take into consideration for that particular allowance there. You can't just say I can't predict the future; therefore, we just see what happens. I think you look at likely scenarios and unlikely scenarios, as the Treasurer identified with the bush fires.

Mr GUTWEIN - Well, in fact, they would be the two likely emergency situations other than, you know, depending on what you believe from the Bureau of Meteorology, a flood could be an issue, but basically, it's provision for emergency management.

4.3 Miscellaneous

CHAIR - There was a massive storm, too. Storm damage. That tends to be more local, but anything else? We'll move, then, to miscellaneous. There are some movements in this - one being the removal of the efficiency dividends, the ill-considered efficiency dividends. Required to take it as more like an austerity measure. Glad to see that's been given up. It's not actually money in the bank. It's just money not found somewhere.

PUBLIC

Mr GUTWEIN - Its confidence building budget priming.

CHAIR - So this, I think, also relates to the ex gratia assistance of \$6.2 million. Is that -

Ms WEBB - That's my line.

CHAIR - Is it? I thought it was in miscellaneous.

Ms WEBB - No. Separate. 4.9.

CHAIR - It is, too. I'll leave it there, then. Yes. We'll leave that. Can you explain, then, the besides that efficiency dividend what is captured in miscellaneous?

Mr FERRALL - You're looking at across the forward estimates?

CHAIR - Yes.

Mr FERRALL - So the drop from 4.4 to -

CHAIR - I can go to the expense one. Might as well get the appropriation. That bit is similar.

Mr FERRALL - Yes. There's a range of changes similarly. One of the major changes is there's still funding in 2020-21 for government business structural reviews, and I did mention that that would be the source of funding in respect of the vessel replacement study we're doing on behalf of the government. We couldn't have solved that within our existing budget or Treasuries.

Within this output is our banking fees, which are fairly stable across the forward Estimates. There's a tax revenue sharing with Victoria, so that's for the TT-Line Admiral Gaming Lounge which is relatively small. There's UBET annual fees, annual fee notice which ceases in 2021. And there's national tax equivalent regime administration costs which, again, vary over time, but they were budgeted at \$71 000. 2019-20 the actual was \$33. The budget in 2020-21 is \$50. The saving strategies, as you mentioned, has fallen out. In the 2019-20 original budget we had the mental health funding that was in this particular item and across -

CHAIR - That was spent, though, wasn't it?

Mr FERRALL - Well, it went to health. Included in this is also the Tasmanian cycle tourism strategy which has funding in 2020-21 of \$714 000. They create those variances over time.

CHAIR - One of the things you mentioned there that's only for this coming year, the ongoing things.

Mr FERRALL - Some of them have ongoing - yes. The major driver of the change is the government business structural reviews which falls away because then there's no funding for that going past it.

CHAIR - So there are no other reviews in the pipeline, so to speak. I mean, the TT-Line one is obviously the one at the moment.

Mr FERRALL - No, but if the government wanted a review, well, there's a review. This is how we'd fund it.

4.4 Payment to the Australian Tax Office: GST Administration.

CHAIR - Any other questions on that one? No. We'll move to Payment to the Australian Tax Office GST. Premier, we know that COVID-19 has had a bit of an impact on the GST as well, and the policy parameter statement shows a parameter adjustment of \$347 million. We pay quarterly, we have to pay some of it back, that which we've already got. Is my understanding correct. We actually have to give some back.

Mr GUTWEIN - Well, \$347 million is the reduction based on the GST we were forecasting in last year's budget compared to what we forecast we'll get this year.

CHAIR - So that doesn't count the repayment of moneys we've already got?

Mr GUTWEIN - No. Well payment of moneys. Tony can fill in the details, but the Commonwealth basically kept the level of payment the same for the last financial year.

Mr FERRALL - They maintained the 2019-20 level of payments.

CHAIR - Because no state was going to be any worse off under the new arrangement.

Mr GUTWEIN - But then they tapped us for - we've got both the reduction this year and also the additional funding that we received last year.

Mr FERRALL - Yes. There was approximately \$188 million to \$189 million we received in 2019-20 because the Commonwealth maintained the level of GST pool distributions at the same level later identified in their MYEFO. But in 2020-21 the Commonwealth is basically recouping or adjusting that out. We see the GST revenue for 2019-20 is - or our receipt - is effectively inflated over and above what our true share was. Then for 2020-21 we repay that effectively through adjustments from, I think, the December payment. They just adjust it.

CHAIR - Just get less in December then.

Mr FERRALL - Well, it goes right through to the balance of the year.

Mr GUTWEIN - The difference is that \$347 million figure below what we were forecasting this year.

CHAIR - Yes. So not insignificant figure.

Mr GUTWEIN - No, it's not insignificant.

CHAIR - I know every state and territory is struggling with the same concept, obviously. The new model for distribution, how does that - and there was no state being worse off. Is that in terms of percentage or dollar terms? I thought it was dollar term, but I may be incorrect.

Mr FERRALL - No, it's not a pure dollar term. It's no worse than we would've otherwise been under the old model effectively.

Mr GUTWEIN - So they run the old model and -

Mr FERRALL - But they run the old model on the new pool. If the pool has fallen.

CHAIR - Right. The pool has just got a lot smaller than bad luck Tasmania, really.

Mr FERRALL - Yes.

CHAIR - Yes. Like every state, really.

Mr GUTWEIN - Everyone, yes.

CHAIR - Yes. We're under the same boat. On page 57 of the policy and parameters statement, again the forward Estimates don't indicate much of a change in this. The whole economy is going to take a while to recover, and there's a whole heap of factors which might make it even slower to recover, or quicker, depending on a range of policy positions. Is this basically your best guess?

Mr GUTWEIN - This is based on the Commonwealth forecasts.

CHAIR - So it's the Commonwealth forecasts you've got with this time.

Mr FERRALL - So we use the Commonwealth pool forecast because we don't believe we have any comparative advantage in trying to forecast the pool. We use the Commonwealth's population share forecast, and we do our own modelling of relativities across the forward Estimates.

CHAIR - Do your forecasts basically line up with what the Commonwealth is saying?

Mr FERRALL - The Commonwealth doesn't forecast individually state distributions. From the Commonwealth's perspective, the GST distribution is basically a single payment out, and they don't really care whether Tasmania gets more or less because the whole of the pool is distributed. They don't attempt to do modelling of the distribution states.

CHAIR - Right. See, that's why you do your own.

Mr FERRALL - Yes.

Mr GUTWEIN - Yes. The Commonwealth budget - they removed the under relativity. They run with the one relativity for the current budget year, and then keep it constant across the forward Estimates which doesn't mean anything.

CHAIR - No. Just guessing, really. Questions on GST?

Ms WEBB - No. Next one.

4.9 Ex-Gratia Assistance

CHAIR - Okay. 4.9 Ex-Gratia Assistance.

Ms WEBB - This is interesting as there's quite an increase in the numbers for 2020-21. It's a tenfold increase from the year before and then drops away again in later financial years. We're interested the context of that increase in 2020-21 year. What things are being provided for in that line item? The footnote doesn't give us much detail. It just says it's been done under the act.

Mr GUTWEIN - Yes, \$4.4 million of it was related to Nyrstar. That was a corporate reconstruction of their business and in effect paid stamp duty and we refunded that. In regard to payroll tax, there was TasFoods who received a COVID-19 payroll tax relief. There was \$300 000 provided. They sought relief due to supply chain issues during the COVID-19 shutdown, and they requested and were provided a payroll tax ex-gratia payment.

CHAIR - That was relief from payment, are you saying?

Mr GUTWEIN - They had paid it.

CHAIR - So you paid it back.

Mr GUTWEIN - We paid it back. I'll give you as best I can a couple of small ones which I probably shouldn't disclose. I can give you the reasons for it.

Ms WEBB - Perhaps just the category -

Mr GUTWEIN - In conveyancing duty, there were seven conveyancing duty concessions provided. Pensioner concessions, where they requested a duty concession for downsizing, but for one reason or another it was outside of their control. It might have taken longer to issue a title, or there was some issue outside of their control. There were pensioner concession duties. Two of those were a corporate reconstruction. Another pensioner duty concession, there was a transfer of duty which was - I can raise this one - Devonport City Council. That was the - I'm trying to think - that's the linked building? Yes, for Devonport City Council, another corporate reconstruction and then a transfer of property. There were two for payroll tax. Each were COVID-19 related ex-gratia payments. TasFoods in total, \$548 878. Tas Quality Meats as well, \$246 506.

There was one first homeowner grant where they again - for matters outside of their control couldn't meet the time frames - provided with an ex gratia payment. There were three land tax ex-gratia payments for a total of \$3356 in total, and there was one rates remission. The circumstances of this was where a pensioner had for a number of years been provided by the council a rates remission, and had to demonstrate that they had made a request, but it hadn't been paid or it hadn't been approved, and so they requested an ex-gratia payment.

But the main ones, there, \$4.4 million for Nyrstar, those two payroll tax concessions, and then as I say the rest were conveyance duties, land tax, or a rates remission.

PUBLIC

Ms WEBB - To pick up on those larger ones that you mentioned, the Nyrstar, was that COVID-19 related, or was that completely separate?

Mr GUTWEIN - No, COVID-19 related. It was a corporate reconstruction.

Ms WEBB - So it's something that may have occurred in a different financial year if they had been doing that in a different financial year.

Mr GUTWEIN - Absolutely, yes. We normally have - there is a range of usually smaller ex-gratia payments that would come to me for consideration during the course of the year, but this is to say in regard to the size of the ex-gratia payments this year, the Nyrstar and the two COVID-19 related ones.

Ms WEBB - Those two COVID related payroll ones, they couldn't be captured by other payroll exemption programs.

Mr GUTWEIN - No. We provided payroll tax concessions for the seafood industry, for the tourism industry, and tourism and hospitality. They were payroll tax concessions across the board. Then we provided a payroll tax concession for businesses that had payrolls up to \$5 million across the board. In this case, the advice to me was these two businesses had supply issues. There were supply chain issues which had been caused by COVID-19, and we were asked to provide some support, and so we provided that relief.

Ms WEBB - That would have come as a result of a request from those businesses?

Mr GUTWEIN - Yes.

Ms WEBB - Initiated by them.

Mr GUTWEIN - Yes.

Ms WEBB - The \$4.4 million, the Nyrstar one, is that the largest ex-gratia payment that would have happened for quite some time, or can you point to another similar one in any recent time?

Mr GUTWEIN - In reconstruction, there was a large one a few years ago. There's a reconstruction, but we'd have to get some details on that.

Ms WEBB - Of a major business?

Mr GUTWEIN - Yes.

Ms WEBB - Of that magnitude?

Mr GUTWEIN - In fact, Tony can probably explain the rationale behind the corporate reconstruction payments. It's where a business has a number of entities within its own structure and is moving its ownership around, and the transaction gets captured for stamp duty. Whereas what they're doing is actually just operating within their own corporate entity, is probably my simplest way of explaining it, and that's what happened with Nyrstar.

Ms WEBB - Is there any particular criteria that a business would have to meet to come to you to make the case for that sort of consideration?

Mr GUTWEIN - I'm sure the secretary of Treasury can provide an explanation.

Mr FERRALL - Our advice to the Treasurer was that the party's unfairly disadvantaged or there are unintended effects of either government legislation or a government decision in circumstances when those parties would have no other legal or statutory redress for those decisions or being unintentionally disadvantaged. It's quite broad.

Our advice always starts from the point of view of have they been unfairly disadvantaged, and is this an unintended consequence of a legislative provision or a particular government decision? Which is why when - as the Premier mentioned the TasFoods payroll tax, effectively in relation to COVID-19 assistance, it was clear that it would have been the government's general intention that the disadvantage created for that business would be supported. The way the support had been drafted in effect they would have missed out. In that case, it was going through it and saying that was clearly an unintended circumstance where a party has been disadvantaged and it wasn't the intention of what was attempted to be done in the first place.

Ms WEBB - Could that same argument be made then in terms of the Nyrstar \$4.4 million, given that was a stamp duty refund? Would not the cost that they may have incurred as a result of rearranging their business - parts of their business be regarded as cost of doing business rather than a disadvantage or an unfair, unintended consequence of legislation?

Mr FERRALL - With corporate reconstructions, we have different legislative provisions to other jurisdictions in relation to whether corporate reconstructions were exempt or otherwise. We did see over a number of years there had been entities that have gone into corporate reconstruction, so they're not divesting of the entity or business of a sale. It's literally a sort of a legal reconstruction of the entity. Over the years, there have been numerous ex gratia payments for reconstructions.

Mr FERRALL - Probably 16 or 17 legislative changes.

CHAIR - It'd need to pass legislation.

Ms WEBB - A legislative change to address unintended - then why does this still -

Mr FERRALL - To address some of them.

Mr GAFFNEY - Yes. It doesn't capture all.

Mr FERRALL - Doesn't capture all of them.

Mr GUTWEIN - In this case, the broad requirements of the legislation was designed to capture these, if they can meet those and again, the intent is of a similar nature, then it's for me to consider. It may be fair to say in ex gratia payments I've given in all of the ones in this last year and in fact in previous years that I've ever acted against Treasury advice. It is a larger number this year.

Ms WEBB - Thank you.

CHAIR - Is there anything else?

Ms WEBB - No.

Output Group 1

COVID-19 Response and Recovery

90.2 Local Government \$200 million Interest Free Loans

CHAIR - We'll move then to 90.2 Local Government \$200 million interest free loans.

Mr GAFFNEY - Thanks, Premier. Congratulations on this initiative. It wasn't taken up as much as you had hoped. It says by way of interest rebate on eligible loans. What would the eligibility criteria be for councils?

Mr GUTWEIN - At a high level, there were \$143 million worth of loans taken up in total, which is quite substantial. We provided an additional \$50 million tranche which at this stage, I don't believe has been taken out. The criteria were that the projects would be undertaken during the 2020-21 financial year. We provide Tasmania with employment opportunities. It was procured through appropriate processes that deliver value for money outcomes finance from an approved loan from the Tas Public Finance Corporation. There were a couple of variations which were provided. I'll just give you a breakdown of what was actually funded: \$144.3 million in interest free loans was provided; 21 local government authorities had borrowings approved under the program that financed 293 projects and initiatives. So it is substantial.

Mr GAFFNEY - Yes, great.

Mr GUTWEIN - That's substantial. Property improvements, \$59 million. Road, bridge and jetty improvements, \$43 million. Rates relief programs, \$17 million. It was \$15 million that was set aside for cash flow short falls and other operational initiatives. Storm water improvements, \$11 million. Across the state, the north-west region, \$34 million, the northern region, \$33 million and the southern region, \$77 million.

Mr GAFFNEY - Are you able to table the different councils or is that in confidence?

Ms WEBB - Surely it can't be in confidence.

Mr GUTWEIN - It'll be on the website.

Mr GAFFNEY - It's on the website, okay. And because of the success of that, is this something you'd consider continuing because of the strong take up from local government?

Mr GUTWEIN - Absolutely. We ran a similar program once before and I think we ran up to that \$50 million a few years ago. I know that Launceston City Council engaged in that. The northern economic stimulus that we ran out was 2015 - around that date - we made it available for northern councils and then we'd simply just extended the program through the COVID-19 process. Would I consider using it again? Absolutely. The investment is, by and

large, below the radar, but you know \$143 million being brought forward by councils over this financial year will have an impact with regional areas.

Mr GAFFNEY - To start with, councils would have been a little bit uncertain, too, of what was going to happen in COVID-19. They might have been a bit reluctant. Now they've got a bit of an idea of what's involved they might even take it up even further. Well done.

Mr VALENTINE - For what sort of purposes were those loans taken out? Can you give us a break down?

Mr GUTWEIN - Property improvements, \$59 million. Road, bridge and head works improvements, \$43 million. There was \$17 million used by councils to provide rates relief programs to underpin our support in municipalities. There was \$15 million that supported councils if they had a cash flow shortfall or other operational challenges, and there was \$11 million for storm water improvements. That's right.

Mr GAFFNEY - Did any council put in for it and they weren't eligible? Did you have many that didn't satisfy the criteria or were not accepted?

Mr GUTWEIN - There was one. Treasury advice - council's have to be in a position around the normal circumstances and metrics of ability to service the loan. One council did not obtain all they applied for. But apart from that, pretty much everybody else was well inside their metric.

Mr GAFFNEY - I know it's determined by the amount of the loan, but what's the expectation of the return to you guys on that? How quickly do they have to pay those off, or is it individual?

Mr GUTWEIN - Repayments?

Mr GAFFNEY - Yes. Is that on an individual base?

Mr GUTWEIN - That's post 2021-22. It's interest free for three years.

Mr GAFFNEY - Three years.

Mr GUTWEIN - Then after that, the government - the public account - is meeting the interest cost for that period and then they revert to normal loans.

Mr GAFFNEY - Okay. Thank you.

CHAIR - All done?

Mr GAFFNEY - Yes.

Mr GUTWEIN - In some cases, councils they were actually bringing forward using money this year that they hadn't met for a grant suspend, in two- or three-years' time. In many cases, they'll hold some that in the cash, if not all of the cash, to actually meet the cost of their programs.

**Output Group 90
COVID-19 Response and Recovery**

90.3 Covid-19 Provision.

CHAIR - We'll move on to 90.3 which is the COVID-19 provision. There's not insignificant provision here for this year, \$136 060 000. That's page 180, Finance-General. Some of it's probably already been allocated. Could I have a breakdown of this because this would be in addition to the Treasurer's reserve.

Mr GUTWEIN - Yes, it is.

CHAIR - Yes, so can you give us a bit of a breakdown of what's been ear-marked under this if any and what the plan is?

Mr GUTWEIN - Tony, am I right in terms of \$136 million, the carrying forward from last year's \$150 million? Is that what makes it \$34 million?

CHAIR - There was some rolled over.

Mr GUTWEIN - Yes, so there was around \$8 million unspent last year out of \$150 million, so \$8 million moved, carried forward. That it's the \$136 million - made round numbers at \$145 million total.

CHAIR - All right.

Mr GUTWEIN - Out of that to date we have allocated \$15 million - or in fact there are two reasons for the COVID-19 provision. One was economic; the other was for health response. To date we allocated \$15 million in support of that public housing and energy efficiency initiative. Two reasons: (1) from an economic point of view, that'll create a lot of work for tradespeople around the state; and (2) it would be good outcomes for those public housing properties. There's \$10 million set aside for a building project support program. This was for a grant fund which allows for grants of up to \$1 million or 25 per cent of the project value. That \$1 million being the cap and for projects that are shovel ready. So not for projects going into a planning process. If somebody's got a commercial project that they've stalled and they have a DA and building approval, and they just simply don't have confidence to take that step forward. This is designed to hopefully provide some stimulus.

CHAIR - So it's a grant, would it be?

Mr GUTWEIN - It's a grant, yes. There's \$10 million. It was set aside to support hospitality and businesses, cafés, restaurants, pubs that are still being impacted by the social distancing restrictions. We'll work with the industry to come up with a program there. That's designed to provide relief for power bills for this coming quarter. It won't provide full relief for those businesses still affected by COVID-19, but we'll work out an equitable way of providing support for them.

CHAIR - So they can't use it for other things? It's just for the power bills.

Mr GUTWEIN - They'll need to present a power bill, and then we will assess it. It'll be some percentage of that that will be supported. We are working through with industry to come up with the appropriate mix on that. It is designed specifically for the café or the restaurant or the hotel that is where turnover is down, they've got trading challenges because of the density requirements in terms of how many people they can have. There's \$10 million to co-invest with the waste management sector. That will be co-investment with local government. To deal with dealing with those waste streams the federal government have now put in place timeframes for dealing with waste tyres, paper, glass, et cetera. This is commencing stage one.

There is \$2.5 million for an arts and cultural support fund, including grants. There will be grants of up to \$10 000 for performers themselves. One was for \$1 million or \$1.5 million. Or was it \$2.5 million? Then \$1.5 million for regional associations to put their hand up which might need support to produce new work.

Mr VALENTINE - So that's only the performing arts, is it?

Mr GUTWEIN - Yes, that's what we've got.

CHAIR - So \$1 million for performers. Is that for them to actually do performance or because they're not being able to perform?

Mr GUTWEIN - Either/or. That was in our thinking there, and we've had a lot of representation from bands who would normally be playing in clubs, those that would normally be in theatre that have just either been -

CHAIR - I went to the Bleeding Tree the other night. That was amazing.

Mr GUTWEIN - I got an invite to go and see that.

CHAIR - You must go and see it. As the minister for family violence, you must go.

Mr GUTWEIN - Okay. Then there's \$2.5 million set aside for a state-wide program to enable them to participate, which will draw from the Step-In program. Then on top of that, there were two other allocations to that. The total, \$12.1 million. One was for the COVID-19 coordination centre, which is a joint state-federal funded total of \$4.4 million, so \$2.2 million. An additional \$1.4 million towards strategic growth partnerships, and \$300 000 for Rural Youth Agfest support. Then \$6 million for the border response strategy. I have some details on that border response strategy?

CHAIR - The border, did you say?

Mr GUTWEIN - So this is the additional funding for DPIPWE staff to basically run the health checks and the ongoing support of our airport and seaport.

CHAIR - What does that add up to? Sorry, I didn't keep a running total in my head.

Mr GUTWEIN - That's \$62.1 million.

CHAIR - So there's still a significant portion which is not allocated.

PUBLIC

Mr GUTWEIN - \$82 million, or close enough to \$83 million. With that plus the \$70 million in the Treasurer's reserve, we have around \$150 million.

90.9 Tasmanian Homebuilder grant -

CHAIR - Any other questions on that line item? We'll move to 90.8, the Tasmanian HomeBuilder grant.

Ms LOVELL - Premier, how does the grant scheme operate? There's \$20 million committed to this scheme, and the scheme enables people to apply for a grant of \$20 000 towards a new build. Doing the basic maths on that, are you anticipating that \$20 million just go towards those grants? So that will be 1000 grants.

Mr GUTWEIN - It's uncapped. If there's greater appetite, there's greater appetite.

Ms LOVELL - Okay. But the \$20 million that's allocated in this budget, there's no portion of that that's going to administration or anything like that. It's just specifically for the grants.

Mr GUTWEIN - For the grants.

Ms LOVELL - Okay. To be eligible for the grants, people have to sign a contract by 31 December and then commence construction within 90 days.

Mr GUTWEIN - Yes. There is some flexibility with the 90 days. That's a matter for the Commissioner.

Ms LOVELL - What kind of flexibility is there?

Mr GUTWEIN - Tony, do you want to outline that?

Mr FERRALL - I'll let Jonathon add the detail, but it's effectively if there are delays which are unanticipated, and which are beyond the control of the builder and/or the applicant.

CHAIR - Like if you've got COVID-19.

Ms LOVELL - Well, yes.

Mr GUTWEIN - Well, we haven't had anyone get COVID-19.

Mr FERRALL - It's a matter for the Commissioner's discretion. Delays in obtaining council approvals, difficulties in obtaining construction materials and/or subcontractors, unexpected delays in obtaining bank finance, inclement weather where the disruption is substantial, health problems relating to or the death of a person critical to the commencement of the project, prolonged industrial dispute, significant delays in the issue of title caused by the LTO or natural disasters. There's a range of things where the Commissioner might exercise discretion and extend that period.

Ms LOVELL - Okay. That's somewhat reassuring because anyone would consider it to be fairly unrealistic to expect there be 1000 new homes commencing construction within

90 days from 31 December in Tasmania. We're hearing that already from a number of industry stakeholders who are questioning the deadline because of workforce constraints. There's one issue, getting a tradesperson to be able to build a house.

I am aware that you've written to the Commonwealth, to the federal minister, seeking or encouraging them to extend the Commonwealth builder grants. My question is, would you? You have indicated that if the Commonwealth were to extend their grants, and particularly I know one of the things that you've said is that you'd reconsider some of the eligibility criteria such as the commencement deadline. Are you considering extending the Tasmanian HomeBuilder grant regardless of what the Commonwealth do, independent of that? Would you consider reviewing some of those eligibility criteria, independent of what the Commonwealth is doing with their grant?

Mr GUTWEIN - Yes, on both.

Ms LOVELL - Okay. Any time line for a decision on that?

Mr GUTWEIN - I'm waiting to have clarification from the Commonwealth. Every premier and first minister has raised this issue. I would like to see an extension.

Ms LOVELL - Have you had a response from the Commonwealth as yet?

Mr GUTWEIN - I wrote to them last week. I spoke to the Treasurer within the last 10 days to express my desire for that to be extended. We'll wait to see if the Commonwealth doesn't extend then we will look at what we will do with our own program.

Ms LOVELL - How long will you wait before you make that decision?

Mr GUTWEIN - Let's find out what the Commonwealth is doing first, and then we'll go from there.

Ms LOVELL - Okay. Thank you.

CHAIR - Any other questions on HomeBuilder loan? No. We'll move to grants and subsidies on page 111.

Grants and subsidies -

CHAIR - Footnote 5 has a note saying 'The decrease from 2020-21 and 2021-22 reflects the cessation of funding for the energy rebate for business and Copper Mines of Tasmania'. We know that CMT is still sitting there. They're still on care and maintenance. What is the quantum of the support they've been receiving? But is there an expectation if they get up and going again this support will be provided in the future. Is it time limited support?

Mr GUTWEIN - That level of support, remains available subject to the recommencing.

CHAIR - Recommencing. Because they haven't done so yet.

Mr GUTWEIN - They haven't done this so yet.

PUBLIC

CHAIR - Yes.

Mr GUTWEIN - The support was both payroll tax and mineral resources tax.

CHAIR - They still do have employees on site. I've seen the care and maintenance role. Putting our new access to the western part at the moment.

Mr GUTWEIN - I know in terms of their support, yes.

CHAIR - All right. Shall we jump on the grants and subsidies, then?

DIVISION 12

Department of Treasury and Finance

Output Group 1

Financial and Resource Management Services

CHAIR - All right. We'll move then down to Treasury and Finance. And Treasury. development. Do you need to change table, Treasurer, or are you right?

In regard to the budget management, development management, this year, the budget's quite late. The actuals are available. They're not in the papers. Is there any reason why they weren't included?

Mr FERRALL - Well, with agencies, we didn't have the full issue of their financial statements in time to include them in the actuals for agencies.

CHAIR - When do you get them?

Mr FERRALL - Well, October, basically.

CHAIR - So as soon as they are - just prior to being tabled?

Mr FERRALL - I mean, the TAFR as an example, we obtained the report on the date it was tabled.

CHAIR - Maybe that should be COVID-19 related, too? The delay in getting them - well, normally, you get them a bit earlier than that, don't you?

Mr FERRALL - Not substantially in terms of audited financial statements and the Auditor-General like all of us had a number of challenges this year in doing those audits, but it's not unusual for all the financial statements.

CHAIR - We certainly can't expect them next year, then? Even though it is in August?

Mr FERRALL - Not a hope. No.

CHAIR - Not a hope, all right.

Mr FERRALL - Just so we're clear.

CHAIR - Okay. Won't even have the annual reports next year. They're not released until the audited financials are done. So let's hope the estimated outcomes are fairly reasonable then. I'm sure they'll be reinserted.

Mr GUTWEIN - Yes, absolutely.

1.1 Budget Development and Management

CHAIR - In terms of the Budget Management and Development, I noticed our new schmicko VIMS is now operating. But there are some other aspects to fund or to complete. The budget allocation doesn't seem to actually address that through that line item, does it? Or does it? The additional work that needs to be done on the other programs?

Mr FERRALL - There is funding to address some further issues on VIMS but there's also funding to address what's called PACMS, the Public Account Cash Management System. There's some work going on at the moment to effectively develop up specifications in relation to the Public Account Cash Management Systems which we will then look at whether we need to do more development within VIMS or whether we might use an alternative proprietary product such as Finance One to deliver some of those specifications. There is further funding there.

CHAIR - So that will all be funded under that line item?

Mr FERRALL - I'll check. James, what's this? Where's the -

Mr CRAIGIE - No, that output is predominantly funding the branch. The Capital Investment program in table 12.6 shows an allocation of 425 for the VIMS project.

CHAIR - All under the capital investment? For that?

Mr CRAIGIE - This year and there is an allocation under the digital transformation fund for the continuation for the PASPAC project. The funding is split between directly funded from Treasury and partially funded from Finance-General.

CHAIR - Is the system working as intended?

Mr CRAIGIE - It is.

CHAIR - Okay.

Mr GUTWEIN - One thing I can put on the *Hansard* record, I've had the development of this budget in a COVID-19 environment and the risk management that has been occurring in terms of key people like David here, and his team, has been extraordinary. We've had indicated since the outbreak now they work night and day.

CHAIR - So did you have to work from home during that part of that period?

Mr GUTWEIN - Yes. They've done a very good job. I put on the record my thanks to him and his team.

CHAIR - In terms of that. Because of the not entirely suitable accommodation that Treasury are in, in the building, is there consideration to facilitating more working from home? We can get to the Treasury building if you want to as well.

Mr FERRALL - Can I just clarify one first matter the Treasury indicated in terms of next year's budget. Inclusion of estimated outcome? We won't be having estimated outcome at agency level. We'd never have included estimated outcome at agency levels. Otherwise, people might expect that next year.

Mr GUTWEIN - No, thank you. And I see your point.

Mr VALENTINE - We heard it here it is history.

Mr GUTWEIN - Thank you.

CHAIR - Yes.

Mr FERRALL - Regarding working from home, we already had, prior to COVID-19, very flexible arrangements for our staff. We've had people working flexibly from home. Working different hours, part-time, full-time, et cetera. Moving Treasury to all working from home through COVID-19 was a bit challenging. We had in place good arrangements already particularly regarding technology which would allow people to work remotely. We had to pretty rapidly upgrade and uplift as you'd expect, to move overnight to everybody working from home.

I haven't changed our view or policy in respect of flexible working, so I'm not of the view that people have to, in any role, be at work at particular times necessarily. Or have to work at particular fixed hours. We can have shared arrangements in terms of roles. In many cases, where people can work from home, we're quite comfortable with that and across Treasury we do that. There are some instances and some very particular roles that at certain points in particular, we say the budget cycle, that's much harder to do.

I don't have an expectation that we will ever have an individual who never attends the workplace because there are important aspects of engagement with colleagues you need to maintain. Where people want flexible arrangements, we're always trying to find a way to ensuring that they can. Those arrangements have worked well through COVID-19 and I think they'll work well going forward.

CHAIR - Okay.

Mr VALENTINE - Certainly, productivity hasn't been dented due to COVID -19.

CHAIR - Probably been increased.

Mr FERRALL - It's very hard to measure productivity.

Mr VALENTINE - It is.

Mr FERRALL - Given the challenges we had and given what was delivered, I can be pretty confident saying that productivity across the board increased. The reality is people had

to work around a lot of challenges and Treasury's not alone. It is across the board, many Tasmanians. But you know, people had to deal with home schooling at the same time as trying to deal with requests and dealing with some of the budget development and other things, and they did fantastically well, and we were very flexible in trying to allow people to respond or work when they could or when it suited them. You had to understand that if you've got three kids you're trying to home school at the same time as respond, you're not going to be able to drop everything and do it instantly. We allowed people to work, and it worked well.

CHAIR - It popped up in their meetings, did it?

Mr FERRALL - It popped up in meetings. Everybody had numerous meetings where there were dogs and kids and everything else that wouldn't necessarily appear at work. If people are productive and are producing what you need -

CHAIR - What about security of information and the network. Are you reasonably confident about that? You don't need budget leaks that you don't want out there and things like that.

Mr FERRALL - I'd never say never because these issues are -

CHAIR - No, that's just a weird thing to suggest.

Mr FERRALL - We have good technology. We have good security. We maintain all the necessary upgrades that we need to keep things secure. Like every organisation with a significant technology base, it is always a risk.

Mr VALENTINE - 'Today, dodgy server bot brings down \$75 million hedge fund'. Anyway, it's out there. It's a problem and an issue.

CHAIR - Only join meetings when you know the people.

Mr VALENTINE - Yes.

CHAIR - That's real. Okay, any other questions on budget management? So, 1.2, financial management and accounting services.

1.2 Financial management and accounting services

CHAIR - What are the risk mitigation strategies you have been putting in place around the financial management of the state. We've had a major shock and you responded in the budget, but can you just talk about how that's worked in the office. Have you had to employ more staff, or have you done it all with the staff you've got? Give me an understanding of the risks as they started to unfold during the year.

Mr GUTWEIN - Apart from in the PIU, the Public Information Unit, and use of a range of consultants through that. It's all been managed in-house. I make the same point that I made this morning. In terms of our secretaries and their senior executive teams, and in fact their agencies, our biggest challenge at the moment is fatigue. There are a lot of people who have worked extraordinarily hard under difficult circumstances. That is the biggest risk we face at the moment with some of our key people and ensuring that we're managing that appropriately.

PUBLIC

CHAIR - As far as your leave liability goes throughout the Treasury area, how are you managing that?

Mr FERRALL - Through COVID-19, our leave liability increased. That's not surprising and not unexpected. We're looking now at managing that particularly over the next couple of years. I've indicated that post the statutory break at Christmas, then I'd be looking to have as many people take additional leave over that period as we can internally. A lot of people have put up their hand and said, 'Yes, we'd like to take time off'. If that means that some areas we would shut down over that period, I'm quite happy to shut them down for that period so people can take leave.

CHAIR - So you think we'll get it back under control - back into a reasonable level?

Mr FERRALL - Yes, we will. It'll take some time. I haven't got the metric in front of me. It didn't blow out massively, but you could see through the COVID-19 period that individuals weren't taking leave, so as we ticked on, we saw leave liability picking up.

Mr VALENTINE - I think their particular circumstances too it impacts on them not being able to take any break.

Mr FERRALL - Yes, absolutely.

CHAIR - So how have you managed the mental health and wellbeing of the staff?

Mr FERRALL - We've had in place arrangements for individuals to effectively get support where needed, and that's done on a confidential basis. Individuals won't get support or are less likely to get support unless there is a capacity to get confidential support. We made sure that everybody was well aware of that, and we promulgated information around how they could get individual support if they needed. We've had a number of individuals who've accessed that support, which is what it's there for. Like every organisation and every group of people, the challenges through this year have caused some strains around mental health, and the combination of personal issues, work issues, COVID-19 issues, we have to acknowledge and accept that will cause challenges and that we've got to manage.

CHAIR - I haven't noticed any delays, so I assume there haven't been. In preparation of the whole-of-government financial and statistical report, obviously the budget was delayed but not because of a delay in you didn't get it out on the day you were supposed to.

Mr FERRALL - We've met all of our statutory time frames. I put on the record my thanks to all the staff in Treasury for the work they did to do that. It wasn't easy having to work from home to produce statutory reports. That's quite a challenge.

Mr GUTWEIN - On top of that as well, Tony, you mentioned industry productivity probably went up if you think about it. They also provided economic and fiscal updates through the period as well, plus maintained everything else.

Mr FERRALL - The other component which people probably wouldn't recognise is that not all, but many, of the waivers and supports that the government provided in terms of waiver tax and revenues and fees and charges were all administered internally by Treasury, and many of those -

CHAIR - They had to go back and rewrite the report.

Mr FERRALL - Many of those were application processes, and so right across the board, there have been people who have done their day job effectively, but risen to deal with some of these other challenges.

Mr GUTWEIN - They've been outstanding.

CHAIR - The fiscal sustainability report is not out, we've already mentioned that, but when do you expect to have that done?

Mr FERRALL - I would expect it to be done by the statutory date, which is 30 June. If they need at some point before it's required to be done we have later this week a first meeting of the people who will be dealing with that so we can start working through it. I'm comfortable and confident that we'll achieve the deadline.

CHAIR - Anything else on that one anyone? No. We'll move to 1.3, shareholder advice on government businesses.

1.3 Shareholder advice on government businesses -

Mr VALENTINE - Yes, thanks very much for that. I'm interested in a couple of things. How many entities were you actually dealing with in this little line item? Have you got an idea there?

Mr FERRALL - I was just saying about 14.

Mr VALENTINE - So the appropriation of the item shows a sharp decline of \$418 000 in 2020-21 compared to the forward Estimate provided in last year's budget. What's the reason for that?

Mr FERRALL - I'll just give you some comments about the restructuring and the changes that occurred. We did discuss some of these with the Minister for Finance. One of the challenges with having a new minister is that you have to restructure your outputs effectively. We had some which weren't, they don't all move discretely between what was under the Treasurer's portfolio and having a Treasurer and a Minister for Finance. A number of movements have occurred between last year's budget, which was all about a Treasurer only, and this year's budget because of that restructuring. It also leads to some reallocation of the overheads because our overheads are effectively distributed on the basis of the direct costed share. If that changes, you see some of those outputs change.

Mr VALENTINE - It goes down and comes back up again.

Mr FERRALL - Yes, it can. It could be other changes as well overtime. I've just got to find a bit more detail and there's also a change in this, which is driven by the change in the expenditure budget, including the outputs relates to the depreciation of leased vehicles and buildings. So there was a change in that accounting treatment. This again has led to the police vehicles and the buildings and non-financial costs, while in 2020 21 budgeting expenditure

includes the full lease rentals and outgoings, so they sort of moved due to an accounting change. We had the energy markets project moved as well in an output sense, so that's under 2.1. Our overheads, which include rent, ICT support and our cadet program, is proportionately allocated across outputs based on their restructure. So they have created myriad movements.

The other point, which I should have made yesterday when we were discussing the actuals for last year versus the Budget for this year, is that in regard to the annual report against the budget for the prior year, which was just the Treasurer - so again, you don't pick up those movements in the outputs from the prior year to the current budget.

CHAIR - This year is exactly the same in this line item.

Mr FERRALL - This year may well be, yes.

CHAIR - It is, yes.

Mr FERRALL - A lot of moving parts would be the simplest answer.

Mr VALENTINE - Fair enough. When you look at the performance information on page 349, I'm assuming that last one was related to this. It's a dealing with the return to GBEs, and so I'm intrigued - 8.2 is returns from government businesses and state owned companies; it comprises whatever is in the note, but it's a decimal; it's not a -

CHAIR - It's the variance.

Mr FERRALL - That's the variance.

Mr VALENTINE - That's a variance?

Mr FERRALL - That's a percentage variance.

Mr VALENTINE - All right. You learn as you go.

Mr FERRALL - So it's budget to actual, yes, that's the percentage variance.

CHAIR - So we're getting better, that's what that shows, I'm guessing.

Mr FERRALL - Trying to.

Mr GUTWEIN - I actually asked a similar question from opposition when Helen was chair.

CHAIR - Anything else?

Mr VALENTINE - No, that's all I've got.

CHAIR - We'll move on then, to 2.1, Economic Policy Advice.

**Output Group 2
Economic and Fiscal Policy Advice -**

2.1 Economic Policy Advice -

Ms WEBB - Thank you. From the description which I'm looking at on page 350, this is about the 'provision of advice on international, national and Tasmanian economic conditions' around economic and reform issues and other interjurisdictional national economic policy matters. The focus at the moment: is it all about COVID-19 or are other areas of focus being captured by what's being spent in this policy- applied space?

Mr GUTWEIN - It has been about understanding the domestic, national and international circumstances we face. Tony could fill you in on it.

Mr FERRALL - This area provides pretty well all the economic forecasting and modelling. It deals with any of the essential economic reports. It provides monitoring and advice to the Government or the Premier. Micro-economic policy and reform, various research and information papers are prepared by this group of people. It also picks up energy policy, so it's quite broad, quite diverse.

Ms WEBB - Is there a particular focus or areas of focus which are progressing at the moment beyond COVID-19-related areas of focus?

Mr FERRALL - There's a lot of activity around energy policy. In economic monitoring and advice, as the Premier indicated, it's not really purely COVID-19, there are a lot of changes now in the availability of economic information, particularly from the Commonwealth. There's been some sort of regrouping internally to utilise his group. It will also deal largely with the FSR, so later this week we're starting down the path of dealing with the FSR.

CHAIR - Fiscal Sustainability Report.

Ms WEBB - Is there any particular sort of intersections or interplays between the activities which are occurring in this space and the work being done by PESRAC and the forward planning or forward projects and things being looked at through that process? Or will it be, perhaps, when things are brought forward?

Mr FERRALL - In large part the PESRAC secretary is independent from our other activities. We do provide support where the PESRAC secretary or PESRAC itself requires, potentially particularly in research or other information. We would provide that if they request it.

Ms WEBB - Through this particular line item?

Mr FERRALL - It could come from any part of Treasury, in fact, depending on what the request was.

Ms WEBB - Where it was most relevant?

Mr FERRALL - Yes.

Ms WEBB - Given that you talked about this being the primary space in which you do the modelling and the forecasting, is this the area that would have modelling and forecasting for you, Treasurer, around the future gaming markets policy and the likely impact of that?

Mr GUTWEIN - To be clear, that was an election policy, not a Treasury policy.

Ms WEBB - So you haven't done the forecasting or modelling since the election, and the intention then to implement to better inform the detail?

Mr GUTWEIN - Treasury has been doing the work as it would with any policy to assist me to implement that policy. The current arrangements are under negotiation in line with our policy. With the Federal Group, Treasury provides me with good advice as I work my way through that.

Ms WEBB - In regard to forecasting and modelling, the description you've been putting to the policy and the way forward is that it's around developing a sustainable gaming industry for Tasmania. I'm interested to understand that better. If we were talking about another industry and using the terminology 'sustainable', we would understand that to mean gaining the benefits of that industry while not unduly harming the environment in which it occurs and identifying characteristics and values to monitor and measure to understand to what extent we are impacting the environment as we take that industry forward and gain the benefits. In regard to the gaming industry and the use of the terminology 'sustainable', could you explain what particular or specific elements constitute that concept in this industry?

Mr GUTWEIN - One of the things certainly in my mind in terms of sustainability, is comparing our gaming market here, especially in pubs and clubs to, say, the New South Wales market and marketplace. In many cases, and it's often remarked - I think it's a statement of fact - that you if visit some of the pubs, clubs, facilities and services they provide to their community, it'd be quite easy to form the view they've had a larger investment in those facilities than we normally see here. In large part that's as a result of the fact that gaming arrangements in those states have provided those pubs and clubs with a larger return than we've seen here in the Tasmanian.

In fact, in the Tasmanian context, and unlike any other jurisdiction in the Tasmanian context, it's generally been 30 per cent to the returns and share of the returns to the government, 30 per cent to the pubs and clubs themselves and then 30 per cent to the Federal Group. No other state or territory has had a similar arrangement. In regard to new arrangements moving forward, we've sought to rebalance that arrangement with respect to pubs and clubs and to ensure they are a financially sustainable model. The matters you raise in regard to social and economic harm are contained in the SEIS report. You would be familiar with the numbers in that report and percentages of the impact of harm on those who would engage with pokies. The last SEIS report that listed harm as 0.6 per cent of the population.

Ms WEBB - To clarify that for you, the characterisation of a problem gambler was 0.6 per cent. That's a very extreme characterisation, and the category would be at least because there's an acknowledged undercount in these.

Mr GUTWEIN - But again -

Ms WEBB - Then there would be moderate risk.

Mr GUTWEIN - I'm just using the percentage in the report.

Ms WEBB - There's actually 27 000 Tasmanians in the three categories that are being actively harmed in that SEIS, just to be clear.

Mr GUTWEIN - I don't think we'd ever agree in our views on this industry.

Ms WEBB - I'm seeking to understand a bit more about the sustainability elements.

Mr GUTWEIN - I just explained in regard to the sustainability element of the sector of the industry, it was about putting them onto a sustainable footing and that's exactly what we've done.

Ms WEBB - So the industry itself, not the state in terms of the industry. That would be in the table quantifying harm.

Mr GUTWEIN - My reading of the SEIS is that in terms of harm it is a very, very low percentage.

Ms WEBB - That just clarified prevalence. It doesn't put a cost to the harm. You haven't done that since 2008, and I believe this SEIS that's occurring now may be looking at quantifying harm. Is that correct? Beyond the prevalence numbers to actual dollar figures, costs and benefits.

Mr GUTWEIN - I'll just get some advice from -

Ms WEBB - It's my understanding we haven't actually put a cost to the harm since the original iteration of the SEIS in 2008, interestingly done by the same group who are doing it this time around. When they did put a cost to the harm beyond just putting an acknowledged underestimated number, the cost was arranged that began at our tax intake and extended up to about three times that. It demonstrated that the cost we're incurring as a state through the negative impact of harm either equalled or exceeded the benefit we were receiving as a state. I'm interested to know whether we're actually going back down that path to do that quantification because, of course, harm isn't just about numbers.

Mr GUTWEIN - I'll have a look at that at the moment, and we might get you an answer.

Ms WEBB - I'm interested to understand, if we are remeasuring that in some sense through this SEIS. Surely that would be quite relevant information in regard to sustainability.

Mr GUTWEIN - The concept of sustainability was in the construct of the policy in the lead-up to the election in sustainability of the industry. That was a policy that was taken to the election. It was one that we committed to and we intended to.

Ms WEBB - There are elements of policy that would be details which weren't taken to the election that could be brought into play to look at maximising sustainability from a broader concept than just economics for the venues and the players in the industry. What I mean is harm minimisation, looking at sustainability more broadly.

Mr GUTWEIN - There was a harm minimisation in part of the policy, in fact, the doubling of the CSL, as you'd well be aware.

Ms WEBB - Which is unlikely to tangibly reduce the harm. It'll improve our services to those who are experiencing harm for sure, but actually what you put out to - for consultation at the end of the year specifically identified that no additional harm minimisation measures were being contemplated.

Mr GUTWEIN - That's in regard to the reported framework in terms of the LMO and the operation of the pubs and clubs market.

Ms WEBB - Yes. The only part that you've consulted on, the part that was put out earlier. I realise -

Mr GUTWEIN - That consultation wasn't asking the questions to whether you agree with the policy or not. That was consulting on what the framework would look like.

Ms WEBB - The details of the framework -

Mr GUTWEIN - Details of the framework itself. Jonathan might want to provide some comment on that. I don't even believe that we will find much common ground on this. Just take that as a statement of fact.

Ms WEBB - The interesting thing is that I don't think you've shut the door on things that could be very positive to take forward with this. I think you could contemplate the structural changes that you took to the election and committed to, and in a greater sense for our state to look at sustainability for this industry and improve outcomes for our community. I don't think you've shut the door on things that could genuinely do that. I'd hope that we can continue our conversation on it.

Mr GUTWEIN - I'm always happy to have a conversation, but as I say, it was a policy that we took to the election.

CHAIR - I think we're just repeating ourselves now. We might move onto the next question.

Ms WEBB - I don't have further questions on 2.1.

CHAIR - Economic policy and advice. Anyone else, any other questions there? No, okay. We'll move then to 2.3, Intergovernmental financial matters.

2.3 Intergovernmental financial matters -

Ms WEBB - What are the priorities in the key areas of focus captured in this line item and activity?

Mr FERRALL - So policy research, development advice, legislation, national reforms, intergovernmental matters, all of those.

Ms WEBB - Anything specific you'd like to nominate as areas of focus now and into this period?

CHAIR - Like tax reform or something.

Mr FERRALL - I think the Treasurer addressed tax reform.

CHAIR - I was joking, Tony.

Mr FERRALL - At the moment there's a large body of work that is being generated effectively by some of the changed structural arrangements occurring at the commonwealth level. There's a lot of work in inter-jurisdictional and across Treasuries and also across the premiers and cabinets across the country. There's a lot of work being done around responses to COVID-19. There's a set of reforms that have been endorsed by National Cabinet that we're working through. This group of people tend to do a lot of work on intergovernmental agreements. Anything else in the current agenda, do you know? Well, obviously revenue forecasting, which has been quite interesting and challenging.

CHAIR - The dark art of revenue forecasting.

Mr FERRALL - And immediately we're dealing with that as part of the next - for the RER, so for the mid-year reports, so they're already starting to do that. They're probably broadly the things that are on the agenda at the moment.

CHAIR - Thank you. Can I just ask if the establishment of the National Cabinet has had any impact on this? Is it going direct to door, so to speak?

Mr GUTWEIN - Well, it has. And one thing I would say, and I'm going to be obtaining - I have the same comment. I'm sure we'd like to. We have a small group of people that punch well above their weight. The armies of people that turn up to a Treasurers conference from New South Wales and Victoria are just extraordinary. We have effectively a handful of people that our Treasury provide me with advice that, to be frank, is as good as what most Treasurers are getting in large states, but supported by small armies of people.

National Cabinet, as I said this morning, that's simply been one of the best outcomes I've seen in intergovernmental relations. I went to the first COAG, and I must admit, I'm not one for pomp and ceremony. I dislike travelling to Treasurers conferences, as Tony well knows. In fact, we're similar in that regard. To spend a day and half travelling to attend a Treasurers conference for a couple of hours had very little interest for me, unless there was a specific Tasmanian issue on the table. With National Cabinet on a two-weekly basis, we were meeting out of the Exec Building on a secure teleconference line, and we were dealing with issues at a rate - I say, with confidence, that COAG-19 nor CIFAR, and in terms of Treasurers in the past 10 years have been able to deal with how it was - it was just an extraordinary change.

CHAIR - The old HOTs meetings. Is it still called that? Heads of Treasury?

Mr FERRALL - We still have Heads of Treasury.

CHAIR - They were always, as I understand it, in person?

PUBLIC

Mr FERRALL - Certainly not this year, but yes, largely they -

CHAIR - Yes, before COVID-19 I'm talking.

Mr FERRALL - Yes.

CHAIR - So do you think there will be a change to having many more these to save the travel?

Mr GUTWEIN - We are going to stay away from as many face-to-face meetings as we possibly can.

Mr FERRALL - It's one of my KPIs.

CHAIR - I wonder if we can measure that one. That would be something more meaningful in an output - an outcome that you -

Mr GUTWEIN - It's one of our products.

CHAIR - Yes.

Mr GUTWEIN - From the point of view of productivity, you gain nothing traveling for a day to get to one of these things.

CHAIR - If we could have the amount of money spent on traveling, you know the 2018-19 and 2019-20 Treasury expenditure, in relation to your travel, Treasurer, and others because we could see how these changes could be part of your KPI's. You'll be interested to see what difference that makes. That money is always then available for other things.

Mr GUTWEIN - At a state level, our policy moving forward is going to minimise that travel as much as we possibly can and to do it via electronic means. I think it makes sense. It's interesting some will argue that for significant matters you need to be in the room and able to be across the table from people. I've learnt over the last nine months that you can make enormously important decisions at the end of a phone or teleconference.

CHAIR - To follow up, because you mentioned when you were answering my question just a moment ago into governmental agreements as an area here and given that they generally had sat within a COAG-19 structure, the National Cabinet - what has become of the COAG part that you would've interacted with, Premier? How is that functioning?

Mr FERRALL - Through the National Cabinet there's been an agreed - I think it's been agreed - the restructure which deals with all of those reforms. I don't have it with me in all the different parts. But effectively it was a streamlining of all of those different arrangements.

Mr GUTWEIN - Including all of the ministerial counsels, establishment of the national reform of council as opposed to having up to 60 ministerial council operating at different times. That framework has been bedded down, in fact, DPAC largely had been involved in the process there and what you'll see is a streamlined approach into governmental relations. Where most ministries over time have had a range of ongoing ministerial council meetings, in many cases

they have been stopped. They will now meet on an as-needed basis. We'll meet on these things that are important but not necessarily as a result of former practice in the past.

Ms WEBB - Can I ask two quick questions about that then? One is that the agreements that were sitting there under the previous structure have now been reformed and streamlined, they've remained and been preserved until such time that the new structure may work with them and carry them on or change them.

Mr GUTWEIN - And we don't -

Ms WEBB - Thank you. So there were nods there.

Mr FERRALL - There's effectively some mapping in how they get resolved and which forums pick up which components -

Ms WEBB - The people who are affected by those agreements or potentially funded under them can have confidence that those agreements are preserved -

Mr GUTWEIN - Absolutely, nothing's been torn up.

Ms WEBB - Thank you. Then the second question from our perspective as a state, what is the new arrangements, what do you see as being the benefits or upsides of that for us particularly a smaller state in the Commonwealth other than not having to travel? So that aside.

Mr GUTWEIN - In terms of COAG, for example, and I've only been Premier for a short time and fortunately have only attended one COAG meeting. We have one National Cabinet meeting, I think, that we will meet face to face later this year. Outside of that, all the meetings have been done electronically. What we've attempted to do and what all the premiers and first ministers were keen to see was that we had a nimble system where we could meet more regularly and make decisions quicker than what was occurring under the previous arrangements. What COAG was initially set up to do was for the Council of Australian Governments to make decisions. What it became was a process. National Cabinet has a decision-making forum.

Ms WEBB - I was just mostly interested to hear reflections if you saw any particular benefits for us as Tasmania as a small state in the new arrangement and it may be that those benefits you've described are broad ones and they apply and there aren't particular -

Mr GUTWEIN - One of the things about National Cabinet - having attended Treasurers conferences in the past is that within the room for the meeting or when premiers and prime ministers were meeting there were 50 to 60 people as an audience, all supporting each other. Right now, in the room, I'm there with the premiers, first ministers, the Prime Minister and the head of DPAC. The discussions are free flowing, they are honest and at the end of the day we've been making decisions. It's been a great step forward.

Ms WEBB - Thanks.

Mr VALENTINE - A leaner machine, a leaner more focused.

Mr GUTWEIN - It's leaner and it's focused on making decisions.

PUBLIC

Ms WEBB - No longer involves local government though, does it?

Mr GUTWEIN - It doesn't, no.

Ms WEBB - It did have a seated table in COAG.

Mr GUTWEIN - Local government will get invited into the full council on matters that -

CHAIR - Finished?

Ms WEBB - Yes.

Grants, subsidies and concessions

CHAIR - We will move to administration of grants, subsidies and concessions. I think we've covered a lot of these through the discussions in many respects. The performance information here does this fit under this one, percentage of objections in which the Commission of State Revenues assessment or decision is confirmed, it's still below the target of greater than 80 per cent. This is where the Commissioner's decision is challenged and then found to be needed to be adjusted. So I don't know whether he wants to defend himself here but if you want to introduce him, Treasurer, if you wouldn't mind?

Mr FERRALL - Commissioner of State Revenue, Jonathon Root.

Mr ROOT - Yes, thanks Chair. So the target there is obviously aspirational. But it does hark back to some earlier processes when we used to meet that target quite easily. In recent years what we've done is changed our process to be more advantageous to the taxpayer. So what we're talking about there is where the taxpayer doesn't like the basic decision that's been made and they have an objection right that goes to an independent officer within my office who then reassesses and decides whether the original decision was right. Now, what we've been doing the last couple of years where we see an objection that either isn't sufficiently sketched out to meet the legal standard of an objection, or there's some additional information that's been provided that wasn't provided for the initial decision, we're providing that back to the taxpayer so they don't lose their objection while we put it back through the system and it's reassessed at the operational level.

CHAIR - Does that count as not meeting the target?

Mr ROOT - What that does is it takes out a number of objections that might otherwise have been unsuccessful because they didn't have the right information and gives them a better opportunity to be successful. So that's increased the success rate of objections. So what we're trying to do is now bring that back up to our target.

CHAIR - Okay.

Mr ROOT Their decision.

Public Trustee Community Service Obligation

PUBLIC

CHAIR - I don't have any further questions on. So we'll move to Public Trustee Community Service obligation.

Mr VALENTINE - It is basically unchanged in its budget from last June. Can you advise how many clients with low asset values we have provided with trustee services by the Public Trustee under this CSO.

Mr GUTWEIN - Look, I can't. That would be included in their annual report but I don't have a copy of that with me.

Mr VALENTINE - Do you expect this to change a lot in the coming years? I suppose, it's a bit of a crystal ball isn't it, really?

Mr GUTWEIN - If you want to put that on notice, I'm happy to see if we can respond.

Mr VALENTINE - The first question, if there's some indication there, that would be good.

CHAIR - If you don't have further questions?

Mr VALENTINE - I don't really have any other questions. You answered a fair bit last year.

CHAIR - Yes, they are before Committee B, I think, this year, which is not our committee. He can pass that onto someone on Committee B. They have the Public Trustee this year.

Mr VALENTINE - We'll leave it then. We'll work it out.

CHAIR - Premier and Treasurer, that's brought us to the end of Treasury so you get to go and have a cup of tea while we get the Auditor-General over here for a few minutes, and then we'll have a cup of tea. We'll give you at least half an hour. You and your staff are welcome to have a cup of tea next door in the antechamber.

Mr GUTWEIN - I'll just stack my stuff on the floor there, is that all right?

CHAIR - Sure, that's fine.

Tasmanian Audit Office

1.1 Public sector management and accountability -

CHAIR - Thank you, Rod, for coming. We shouldn't be too long on the scrutiny of the Tasmanian Audit Office. It is important for us to hear from you and hear about the particular challenges you've been facing with during the COVID-19 period. Please introduce the person at the table with you and also if you want to make some opening comments you're welcome.

PUBLIC

Mr WHITEHEAD - Thank you, Chair. I'll start off by introducing Simon Scott. Simon is acting assistant Auditor-General for corporate strategy and support business unit for the office.

CHAIR - We don't see him out and about very often.

Mr WHITEHEAD - No, he's actually filling in for Patty Johnson, who you may have seen on a number of occasions in the past. Patty is on short-term transfer to another agency at the moment. Simon is filling in for Patty during her short absence. I have no opening statement, thank you. I'm quite happy to go to questions.

CHAIR - What impact has COVID-19 had on your office?

Mr WHITEHEAD - I'll start off by saying that we have been impacted by COVID-19 constraints on the performance of our work. When the outbreak first occurred we were probably more fortunate than a lot of other government agencies because a large number of our people are quite used to working remotely at other state entity sites. That means the technology platform we have set up enables them to work remotely and they connect through our systems, provided that they have internet access. They're able to do through a wireless connection based on the government businesses, Australia companies, GBEs and other general government sector entities.

From that perspective of facilitating people to be able to work from home, it wasn't too difficult. We needed to make sure that they had appropriate work places to work from, and that they met basic workplace health and safety requirements we suggested or recommended they needed to meet. The biggest impact on our office was on our more administrative-based personnel who didn't have laptops. We had to facilitate access for them to have laptops to be able to work from home. We managed to source those without too much difficulty.

CHAIR - So you met them from within your existing budget?

Mr WHITEHEAD - Within the existing budget we had, and through other temporary machines we had available to cater for short-term contractors we get from time to time.

There were probably two impacts. One is the financial impact on the office as a consequence of COVID-19. Prior to the COVID-19 outbreak occurring, we were proposing a fee increase for our financial audit client of approximately 6 per cent. In fact, we'd sent the correspondence out to suggest that's what the fee increase would be for the coming year.

When the outbreak occurred, we were approached by Treasury to considered whether we would waive that fee increase as a means of providing some support to agencies that were directly dealing with the impact of COVID-19. We considered that internally, at the executive committee level and made a decision we would waive the increase for that financial year. Our audit fees were based off the previous years, so that did come at a cost to the office. We've quantified that at being, I'd say around about \$200 000 as the cost impact or the fee revenue impact. We've looked to see how we can actually absorb that by other cost reductions that we would manage to generate during the COVID-19 outbreak.

Some of those cost reductions have come through the department of travel, so we haven't been travelling to state entities much. Therefore, we haven't been incurring accommodation costs or motor vehicle travel costs.

Training and development was another cost area we saw quite a bit of opportunity for savings because people weren't attending face-to-face type events. They were attending them online and the online generally had a cheaper cost than what the face-to-face training had. A number of our office-based costs also reduced over that period of time.

The impacts on our work: at the outset we didn't have too many difficulties until we of got to the busier part of what I call the audit season, which are generally the months from about August through to October. When we got into the final audit visits after entities had actually prepared their financial statements, we were pretty much on track with our work program with respect to government business enterprises and start-up companies. Then when we started getting into the work of the government departments, they started to have a bit of an impact on our work program. Some of that related to the ability for us to get the information that we needed in a timely manner and also the challenges around the communication and access to people.

CHAIR - Is that because it was slow coming from the departments?

Mr WHITEHEAD - In some cases it's around the timing of the request and when the requests were made. But that lack of face-to-face interaction meant people were also trying to do their other departmental responsibilities and fulfil those, in a work-from-home type environment as well as attend to the requests that we were putting on them at the same time. It did create an extra workload for people and that work from home created more of an extra challenge in being able to access some of that information, particularly when some of that information was in a hard copy format or in a printed format. We, in some cases, had to wait for someone to actually attend the office to source the documents and then scan them and provide them to us electronically.

So that did have an impact on our work. Notwithstanding that, we did have a priority to get the government businesses done and companies done first, then focus on the government departments and then the other general government sector entities for the purpose of getting the more material ones done so that we could actually complete the audit of the Treasurer's Annual Financial Report.

CHAIR - Which is quite late, according to the Treasurer.

Mr WHITEHEAD - Regarding our audit sign off, we met the statutory deadline to enable the Treasurer to table that by the 31 October. Again, there were some difficulties and hold ups towards the end of the audit process that caused a bit of a delay. We were aiming to sign off on the Wednesday and it turned out to be the Friday. So there was a slippage of two days in completing that.

CHAIR - Have other projects been pushed back, or have you done a RAF or anything to try to fund those? How are you managing with that?

Mr WHITEHEAD - No, those extra COVID-19 audits, they're part of our performance audit program. When the COVID-19 outbreak occurred we consciously made the decision we

would defer tabling any performance audits during the period of time that parliament was initially going to go into closure, which was from about March through to about August. So we made a decision not to table through that period. Parliament subsequently did come back earlier than intended but we still made the decision not to table any of the reports we were working on during that period of time. Two reasons for that. One is we had requests from some of the agencies involved in those performance audits branches to hold off continuing the work because of their focus on responding to the direct impacts of COVID-19 and we accommodated those requests.

But then as it became more evident that the agencies and their personnel were coming back to their work, their COVID-19 responsibilities were reducing, we were able to start reigniting or recommencing those audits with a view to getting them finished. There were a number of audits that we had on our plan of work that we were looking to table before June. The audits that we've been tabling since about August through to now pretty much have been the catch up of those ones that we were hoping to table before June. On top of that, we have commenced a number of COVID-19 related reviews and audits which we had included in our annual plan of work that we made public on 30 June.

CHAIR - So you're not doing anything in addition to what was in the annual plan of work?

Mr WHITEHEAD - Not at this stage, no. That work has been pretty much in accordance with the plan that we tabled as at the end of June.

CHAIR - You've lost, \$200 000 in revenue or own-source revenue because of the decision not to waive that fee increase. Do you intend to do it next year and in the meantime, is your budget adequate to enable you to do the work that you do?

Mr WHITEHEAD - Yes, in answering that question there's probably two streams of revenue. Were funded in different ways. First, our financial audits are funded through the fees we charge the clients. So the fee reduction or waiver that we provided for that one year mainly affected our audits of financial statements. We have taken a fee reduction there and that will have ongoing ramifications in terms of the loss of that increase over the future years because any future fee increases are going to be off that lower base. We're looking to minimise internal costs to off-set that. The performance order program gets funded by appropriation from parliament. I have discretion around the level of work that I undertake. I usually set that level of work in recognition of the funding that we get through appropriation.

CHAIR - Yes, but that's not the question, Rod. Are you limited by your budget in the work that you believe needs to be done? Maybe I needed to reframe that.

Mr WHITEHEAD - Yes. In setting the annual plan of work that I've got obligation to do under the Audit Act, I have to take into consideration the resources that I have available to me and I try to match the plan to those available resources. Where there is a particular order that I wish to undertake because something urgent has arisen, which I didn't envisage when I prepared my plan, in those circumstances I would defer another audit on that plan of work and undertake that more urgent work.

I think that is a way of answering your question. If I had a greater appropriation of revenue, it would enable me to do more work but do I foresee the need to do more work at this point in time? My answer to that would be probably no.

CHAIR - That's fine. Other members?

Mr VALENTINE - I'm just interested in that operation. When you do a report like you just completed into the ICT issues, do you go back to departments to see how they've implemented or complied with recommendations? What other interactions do you have with the government in relation to some of those other reports? I'm not just talking about that particular one. I'm talking about the general process.

Mr WHITEHEAD - No, that's a very good question. The general process is we interact with the Public Accounts Committee. They scrutinise our reports we present to parliament and they have a particular focus on the recommendations that we make within those reports. In a number of instances, they will select the number of our reports to specifically follow up the recommendations within those reports. As part of that process they will obtain evidence as to whether the agencies have actually implemented those recommendations or not.

Through our interaction with the Public Accounts Committee, there may be some audits that they don't have the resources all the time to follow up in which case we'll undertake our own follow up of the recommendations out of those reports. We'll summarise the status of those recommendations in what we call a follow up report, which again will be tabled with parliament.

CHAIR - It is through a collaborative process.

Mr WHITEHEAD - They can see that process. The other thing we are aware of through our financial audit program is that we regularly attend audit committee meetings for state entities. Usually during those audit committee meetings, there's often discussion around recommendations coming out of not only our work but out of the work of the internal auditors and out of other external reviews that have been conducted. Quite often they'll include on that list of recommendations, recommendations that have come out of our performance audit program. So they're used as a means of actually keeping track of the progress of all those recommendations.

Mr VALENTINE - So you do get a chance to interact with the internals?

Mr WHITEHEAD - Yes, that's correct. Normally when we prepare our reports and are formulating our recommendations, there's a dial-up with the agencies at that particular point of time. It's important that our recommendations are practical and implementable. That's the only way that agencies will actually get benefit out of implementing them. If it is that truly does add value to it.

Mr VALENTINE - Sometimes they have a difference of opinion, of course.

Mr WHITEHEAD - In some cases they will and we often have robust discussions around those.

Mr VALENTINE - Thanks.

CHAIR - We note that the PAC presented a number of follow-up reports this year. We've been working extremely hard. Bastian, do you have a question?

Dr SEIDEL - Yes, thank you. Table 21.2, and it's probably about follow-up reports as well. Under parliamentary reports and services, there's a line item on recommendations agreed and acted upon from performance audits. In the disclaimer, it says - well, it's actually a follow-up that you do. There haven't been any follow-ups for two years in a row. Is that unusual, or is it because it didn't recommend any follow-up audits in that particular time frame? Can you explain what happened there?

Mr WHITEHEAD - Normally, when we look at doing follow up audits, we'll have that conversation with the Public Accounts Committee around which ones they would prefer to follow up themselves. Usually there's about a three- to four-year time delay between when we do the report and when the follow-up occurs, because we like to give agencies some time in which to implement the recommendations. You're right in that respect. The Public Accounts Committee has been undertaking quite a few follow-ups on a number of our recent reports -

CHAIR - Some not so recent.

Mr WHITEHEAD - And some maybe not so recent. But that does affect the timing of when we might do a follow up. In our annual plan of work, for the financial year 2020-21, we were looking to do another follow-up of the audits that the Public Accounts Committee hasn't followed up.

Dr SEIDEL - So it's coincidental, in other words.

Mr WHITEHEAD - It's more coincidental and in some cases it comes down to the timing of when audits have been finished - which ones the Public Accounts Committee is following up and the timing of when we might want to undertake our own follow up.

Dr SEIDEL - Great. Thank you.

Mr GAFFNEY - Yes, just a couple of specific ones. FTEs are constant over the last three years in the work force?

Mr WHITEHEAD - Relatively constant. We haven't had any significant increase. One of the things we have found is that we have had a number of vacancies on cases which we have had to fill with people from the short-term register we have. That a way of giving us some resources available to enable us to complete our work. In some cases where we have a large number of vacancies that we can't fill simply because we can't recruit people to fill those positions we contract work out. We will contract some work out to the private sector first. Where we contract out audits, it's generally done for a minimum of a three-year term, but these often are a two-year option period at our discretion. In some cases, we will contract work out for a very short period of time when we know that we'll be able to get resources to undertake that work in the future.

Mr GAFFNEY - Is there a skill shortage when you say you can't get people to fill those positions? Is that what's in the industry as a skill shortage in all work?

Mr WHITEHEAD - I'd say broadly there is a skill shortage of audit specialists across both the private and public sector. I will talk more broadly about the industry. There are a lot of people who commenced in the audit field from university studies, so there's a large pool of graduates that are usually taken on board. Those graduates usually work with the firms for up to three years to obtain further post graduate qualifications and experience. After that period of time, they become very attractive to other organisations because of their broad skills and training that they've had. Quite a number of them move to other commerce and industry. In some cases, there's some movement between firms, and some come into the government sector. The challenge is it's around that experience level. Three to five years is where the shortage normally is, and that's the difficulty that we have filling positions looking for people with that degree of experience.

Mr GAFFNEY - Thank you.

CHAIR - Any other questions, members? No. Thanks very much. We appreciate you coming in. It's important that our independent statutory officers are given the opportunity to talk about how things are going in their areas, and particularly with the impact of COVID-19. We'll see you at PAC.

Mr WHITEHEAD - Very good. Thank you very much, Chair.

CHAIR - We'll have a break until 25 past or half past? Half past we'll make it, and we'll recommence with tourism.

The Committee suspended from 4.12 p.m. to 4.30 p.m.

DIVISION 11

(Department of State Growth)

Output group 5

Cultural and tourism development

CHAIR - Thanks, Premier, for coming back.

Mr GUTWEIN - You're welcome.

CHAIR - We're into tourism with the Minister for Tourism, and we'll just get you to introduce the other members of your team at the table. If you wish to make some opening comments you're welcome to, otherwise we can move straight to questions.

Mr GUTWEIN - To my right, John Fitzgerald, CEO of Tourism Tasmania; Andrew Finch who has been introduced before; and Jacqui Allen, Dep Sec for cultural tourism and development. Is that close?

Ms ALLEN - It's cultural and tourism development.

Mr GUTWEIN - Cultural and tourism development. Let's jump straight into it. That suits me.

CHAIR - Okay. We'll start with 5.5, visitor economy support.

5.5 Visitor economy support

Ms LOVELL - Premier, I had some questions about visitor information centres. We know that there's been some closures in the last year of visitor information centres. How has that had an impact on the community and the individuals who have been employed in those centres? They have been providing really high-quality services to people travelling in those areas. There was a survey undertaken by the Department of State Growth to obtain a better understanding of the impact of those closures on local businesses and tourism operators particularly on the east coast and upon the Glamorgan Spring Bay region. Are there any results from the survey? Are you able to provide an update on any feedback given to those who participated in the survey?

Mr GUTWEIN - I do have some information here. You're right, there were three visitor information centres at Triabunna, Swansea, and Bicheno which were closed. A survey was undertaken by Channing & Associates which sought stakeholder input into the identification of the top five potential gaps in visitor information provision resulting from those closures. The loss of human interaction was identified as the most significant impact. The top five gaps identified by this process were: the meet and greet interactions, 70 per cent of the respondents raised that; promotion of local businesses, 68 per cent of respondents raised that; access to maps and brochures, 68 per cent of respondents raised that; free visitor information was raised by 63 respondents, and; the provision of emergency information was raised by 53 respondents.

The Department of State Growth is looking to develop new and more cost effective, responsive and customer-centric methods of visitor information provision to ensure we continue with support with a view to implementing those interim programs and pilot projects to support the east coast region into the summer season. I will get Jacqui to provide some comment. Those three were run and operated by the council? Their decision.

Ms ALLEN - Yes, Glamorgan Spring Bay Council.

Mr GUTWEIN - I'm not sure whether the new mayor is rethinking that decision, but it was obvious it was made due to the financial circumstances surrounding the council, and the council took that decision. They play an important role. We need to ensure that we can fill that gap. What is interesting is the industry sentiment and the feedback we're hearing at the moment indicates now's the time to explore new approaches, to allow workable solutions to emerge. It is interesting, one of the views that the council raised with me was they felt that for a lot of visitors their first port of call wasn't the visitor information centre. They would look to the internet, they would look to web-based information. There is a gap in that information on the east coast. That's a statement of fact.

Ms LOVELL - I'm pleased to hear you say that they do play an important role because I agree with you. Huon Council closed theirs earlier this year as well, so it's something that's been felt in other regions of the state. Whether it's a financial decision or what, not just Glamorgan Spring Bay Council. It does leave a gap because while a lot of people do look to the internet for information, we don't have great internet coverage right across the state, particularly in some of those areas where people are visiting on a holiday. There is a big tourism industry in some regions that doesn't have great internet. Is the Government committed to ensuring that that gap is filled in some of those regions where there isn't great online coverage?

Mr GUTWEIN - My understanding is that we have identified a series of projects to potentially as pilot projects may be viable to fill some gaps. They've been mapped against the top five identified gaps I outlined. These ideas have been tested with stakeholders to determine the validity of developing further. The first project is commencing with the state growth Digital Ready team in collaboration with east coast tourism, supporting tourism operators to achieve a greater digital and social media voice through dedicated workshops at Triabunna, Bicheno and St Helens, which are being conducted throughout November, so in the current month. We're working with the industry down there to look at how we might fill those gaps.

Ms LOVELL - Can you outline any of the other projects being explored?

Mr GUTWEIN - Jacqui, do you want to -

Ms ALLEN - Some of the other projects that we're considering and talking to stakeholders about are things like ambassador programs. Where we're working with local community members to provide that sort of on-the-ground presence, but it's being considered I guess in a bigger context around how we might provide visitor information going forward, how we might look at the digital assets of the work that we do with Tourism Tasmania and about communicating with visitors before they arrive, and how we support them then once they get here.

Ms LOVELL - Those pilot projects are due to be rolled out over the summer. Will there be announcements around those, or when will people have more information about those details?

Mr GUTWEIN - Presumably we're currently engaged, but Jacqui -

Ms ALLEN - In terms of the Digital Ready, we're currently engaged. The work programs of the rest of the projects, we're working through the T21 forum to look at how we will roll them out.

Ms LOVELL - Thanks.

Dr SEIDEL - Just a follow up on this one. Are you aware of any other visitor centres that are at risk of closing in the state?

Mr GUTWEIN - Personally I'm not.

Ms WEBB - Apparently Latrobe has already closed.

Mr GAFFNEY - No, it's closing.

Mr FITZGERALD - What we're trying to do here is - the bricks and mortar model will be required going forward, but it won't be the only way to do it. Some of that won't be viable perhaps. Whilst we've got a few under threat off the back of COVID-19, what's important is we have a sustainable solution for what we propose, and that's where there are three areas being explored: How do we continue with the bricks and mortar model, the accredited I-sign model. How do we have great digital assets for the customers, and the third one is around people-to-people, which is the ambassador program.

They're the three areas being looked at. In fact, we've got a couple of forums coming up in the next couple of weeks where we've invited a bunch of people from around the state,

including local government people who are largely responsible for that bricks and mortar model, to work with them to develop the sustainable solution. That's the kind of planning we are doing. Not just as a short-term thing, but how we get a model in place that's going to service tourism over time.

CHAIR - With the ambassador program, is it intended to pay people to be ambassadors, like people on the ground who can meet and discuss, or are they looking for a volunteer army?

Ms ALLEN - My understanding is it would be volunteers, but it is in context with a whole range of other services. So perhaps around specific events or activities.

Mr FITZGERALD - The idea would be it a program that anyone could participate in and even operators and people who work for operators. If you like, we have this band of advocates right through the state. Operators are the ones who provide most of the information anyway. You think about the way Tassie operates - people go and talk to operators and they recommend other operators or go up here and see Uncle Bill or whatever.

CHAIR - I think we're seeing more of that now, rather than this competitive approach.

Mr FITZGERALD - Yes, and this might help improve that too. There used to be a scheme 25 years ago called Aussie Host in Australia. It'd be something similar where an accredited scheme - you can take part in it, you get a recognised qualification as part of that and away you go. It'd be good.

CHAIR - In your footnote to this line item, it talks about reimagining the gorge and Strahan Visitor Centre and just transformation there. What are we actually talking about with that, Premier?

Mr GUTWEIN - On the west coast in Strahan, the West Coast Council and Department of State Growth agreed to jointly explore projects which will improve the visitor information services offered on the west coast. Scoping work originally planned for the west coast exploring opportunities for the existing site office for a potential redesign and redevelopment was put on hold whilst the impact of COVID-19 was assessed. Then future plans for the west coast information provision will be informed by the GAP analysis we've conducted and interim programs and projects as well. Do we have any funding set aside for this?

Ms ALLEN - There's \$375 000 allocated to the Strahan Visitor Centre project.

CHAIR - Yes. So where's that project at at the moment?

Ms ALLEN - As the Premier said, we were engaged in discussions with council and that was put on the backburner once we had our COVID-19 situation. Now we are looking at the visitor information provision on a whole-of-state basis, and any conversations we have with council will be considered in that context of the bigger strategy.

CHAIR - There's still an intention to have a physical presence there? You know you've got absolutely zero phone coverage anywhere outside the towns. Sometimes people just need to get into town and then talk to someone. Is that the plan in any of the towns in all those places?

Ms ALLEN - Yes, so the visitor centres are provided currently by local government. There's no plan from our perspective to recommend that anyone offering a physical visitor centre closes it down, but I guess what we are doing is looking at how we might provide that information more seamlessly, and what some of the models of provision might look like. So, for example, in the Glamorgan-Spring Bay area, we have seen some private operators who are interested in picking up part of that public-facing role around distributing information and brochures and things like that. I think, as John said, the needs are probably evolving as our visitors are changing and as the communication tools are changing. I don't think we've necessarily got a particular model in mind for each of the regions, and we'll continue to talk to people who have visitor centres about how that can be evolved.

Mr GUTWEIN - Also the other thing we have to be mindful of - it was interesting with Glamorgan-Spring Bay, that a lot of negative feedback about closures didn't come from the operators. A lot of the negative feedback came from the close-knit group of volunteers, and when I say 'negative feedback', I mean concern.

CHAIR - Disappointment?

Mr GUTWEIN - Disappointment. As a central focal point in communities - I see this in my own collective in the north-east in Bridport, where people have supported the visitor centre there for two decades since it was first built, and where it provides not only a role in informing visitors, but it is also a central focal point in the community for local people as well. I think we have to be very mindful of that and how we work the model through. The sudden closure on the Glamorgan-Spring Bay raised an issue. We have to try to find the right model, one balances the community's needs, including the local social fabric, as well as providing services in a contemporary way for the operators as well. That's what we're working through.

CHAIR - The Strahan facility where the visitor centre is also has a little amphitheatre in which is performed *The Ship That Never Was*, longest running play in Australia. They were not performing during the COVID-19. In winter they actually play it at Risby Cove. That's part of the iconic nature of the on-land component of the Sarah Island tour.

Mr VALENTINE - It's a great play.

CHAIR - It is. Yes, it's great fun. They always drag up some kids - kids who love to get involved. If you haven't been to it, you need to go. Just playing my ambassador role. Are there any other questions on line item 5.5? Otherwise we'll move to the 90.21, under COVID-19 response and recovery, the flexible at home travel vouchers.

Output Group 90

COVID-19 Response and Recovery

90.21 Make Yourself at Home Travel Vouchers -

Ms WEBB - Make Yourself At Home. Indeed. To what extent do we know whether the \$12.5 million investment in the scheme was directly beneficial to accommodation and activity providers? What was the additional value or realised value of the investment that was made?

PUBLIC

Mr GUTWEIN - In terms of the total \$12.5 million, it hasn't all been redeemed as yet. Projects deal with around 40 000 vouchers I provided.

Ms WEBB - Through the two rounds?

Mr GUTWEIN - Yes, through the two rounds - Jacqui, jump in if I stray and you want to clarify any of my points. As of yesterday, Kim Evans said the vouchers were being redeemed at about 1000 per day. The figure I gave yesterday was 70 900 or something. Today the update I can provide is that 19 054 vouchers are being -

Ms WEBB - Of the 40, yes.

Mr GUTWEIN - Have been put submitted for redemption. We estimate that the total spend of around \$20.76 million has been estimated. That's the total spend, because obviously we are collecting receipts from people to demonstrate they've utilised the voucher and then reclaimed.

Ms WEBB - Can I just clarify that amount? Is that above and beyond the voucher amount or is that inclusive of the voucher amount or is that inclusive of the voucher amount?

Mr GUTWEIN - It's above and beyond. The total amount we've paid out at the moment is roughly \$5 million-worth of redemptions that have been requested. We paid out, as it stands at the moment, about \$3.15 million. The total spends over and above the \$3.15 million is around \$20.76 million. What we're finding is that it's actually doing exactly what we'd hoped it would do - that is that there would be a multiplier effect in the spend and it's around \$4 for every one.

Ms WEBB - In terms of the redemptions, are you able to tell which round they came from? How many are round 1, how many are round 2?

Ms ALLEN - Yes, we don't have that information available with us today but we are able to sort that.

Ms WEBB - Okay. I'm also interested in the ones that have been used and redeemed to know what they've been used for in terms of accommodation, and accommodation or experience type, and also how that looks per region so we can see where that should occur.

Ms ALLEN - Sure. We will be able to provide that information when the program concludes. What people submit their redemptions, we ask them to answer a bunch of questions for us about what they've done. I guess what we've learnt through the program is there are many different ways to spell Freycinet, for example. If we ran a search on our spelling of Freycinet, we'd miss out on some. At the conclusion of the program we will need to go through and do some cleansing of the data. We have the receipts so we're able to see what people have done, but we don't have it available at this stage of the program.

Ms WEBB - It probably segues a bit into my next question, and that was around administrative costs of the program. Of the \$12.5 million allocated, what were the administrative and promotion costs included in that? Or are they additional and absorbed in the department or in other areas?

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Mr GUTWEIN - System development support costs was estimated to be at around \$400 000 to administer the program.

CHAIR - Does that include promotion?

Ms ALLEN - That was absorbed -

CHAIR - You're getting a heads up from behind.

Ms WEBB - So the \$400 000 was from within the \$12.5 million?

Mr GUTWEIN - Yes.

Ms ALLEN - We hope so.

Mr GUTWEIN - Yes, well, at the end of the day -

Ms WEBB - I heard him say yes.

Mr GUTWEIN - At the end of the day if it needs to be \$12.5 million redeemed then obviously it would be over and above that cost.

Ms WEBB - What about providers? Did providers have to register for this scheme?

Mr GUTWEIN - No.

Ms WEBB - It could just apply to any that fit the description?

Mr GUTWEIN - It was either a combination or an attraction. The attractions, do we have any carve outs in that regard from memory?

Ms ALLEN - I'm just trying to remember the rules, which I also didn't bring with me. There are not substantial carve outs of what people can spend their money on. The vouchers were issued to individuals. There's not a requirement for the accommodation providers or the attractions providers to engage with the voucher. What we ask people who received a voucher to do is to have their experience and collect a receipt at the end of it and then give that to us.

Ms WEBB - Providers won't necessarily know if that's them or not until you report on it once you sort all the spelling issues out.

Ms ALLEN - Correct.

Mr GUTWEIN - At least we know where people went to.

Ms WEBB - I think that would have been a safe bet.

Ms ALLEN - Or somewhere. Freycinet -

Ms WEBB - Somewhere with an F.

Mr GUTWEIN - Somewhere

Ms WEBB - From what you've just described that additional spend that's come along with it, I'm assuming you're deeming it a success as a program?

Mr GUTWEIN - Yes, and with the program finishing at the end of this month, I expect that we will see significantly more vouchers that are going to be redeemed and, as was indicated yesterday, at about 1000 a day coming in at the moment. As we get closer towards the end of the month, I imagine people will potentially use the voucher if they haven't. It was in 30 days during which to redeem the voucher post the end of the month. If they use it at the end of the last day of this month that would be days after that. By the end of December, we'll have all the final numbers sorted.

Ms WEBB - Is it something you're going to contemplate repeating again - particularly if this the whole allocation isn't utilised through vouchers being used?

Mr GUTWEIN - This was designed to support the tourism and visitor economy. We will look to utilise those funds to support the visitor economy. It will provide us with a good opportunity over the next month to understand where the visitor economy's at. John might be able to provide some information there in terms of capacity in terms of seats. On airlines, I think we've seen a much stronger level of capacity than what we thought we might.

CHAIR - We might do that under the next one.

Mr GUTWEIN - We'll make a judgment as to how best to spend any excess funds once we've got an understanding of where the visitor economy sits as we move closer to the end of the year.

CHAIR - Is it something you'd contemplate adjusting if you have some residual funding there to redirect it in a more targeted way into, say, the cultural and art sector and have some sort of measure that drives patronage into that space? That's been a hard-hit area for our state and probably a smaller investment would also then make a big difference.

Mr GUTWEIN - We've got an additional \$2.5 million that we are directing into that arts and cultural area as a result of the investment that we've already made out of the COVID-19 provision. That will roll out over the next month, I hope.

Ms WEBB - I'm thinking of one from the other side. The driving people towards patronage of that sector rather than supporting the sector directly.

Mr GUTWEIN - How would you see that occurring?

Ms WEBB - I don't know. Just wondering?

CHAIR - Accommodation.

Ms WEBB - Vouchers to put towards to get people to attend.

Mr GUTWEIN - It's difficult to get a show in Zeehan.

CHAIR - Well, it's easier. Or Strahan.

Mr GUTWEIN - I think what's happening in the visitations at the moment in terms of the visitor economy is that it is changing rapidly. For the better is probably a way of explaining that and when you look at the intrastate numbers that we saw in July and August, they were extraordinary in terms of intrastate overnight trips. We saw our Tasmanians spend an estimated \$477 000 nights on intrastate trips in July, up 28 per cent compared to the month of July the previous year. Expenditure was up in that month by 34 per cent, to \$86 million compared to \$64 million. What we've seen is intrastate travel not fully filling the gap but has increased substantially through July and August. In August, which is generally a pretty tough month in Tassie, there were 154 000 overnight intrastate trips, up 75 per cent compared to the previous year, which is just massive. Intrastate travellers stayed 417 000 nights in Tasmania during that month - up 138 per cent on the previous year.

CHAIR - Premier, I got around my electorate a bit during this time and around the state and I was getting very mixed views. It was more the high end that got support during this period because people weren't spending their money on airfares so they were more willing to spend money in a high end, more expensive accommodation. Which is nice to be able to do that when normally you might not in our state. A lot of the more, what you'd classify as budget accommodation, did not have the same sort of support. I'm interested if it is possible to get a breakdown of that because there may need to be more targets toward that more budget accommodation and some of that other area. That's what I heard consistently across the state.

Mr GUTWEIN - See it's interesting. I had one night away in July. I went to Bridport - it was the last weekend of the school holidays. Two of the hotels and motels down there said to me they'd had their best winter ever. I would not class them as the greatest or high end; they were good quality accommodation. We'll break down that data.

CHAIR - As soon as possible. I'm not sure if it is but it'd be interested because that was the anecdotal evidence I was hearing.

Mr GUTWEIN - That money was set aside for the visitor economy and to encourage patronage. Once we understand whether we've got any additional funds and what amount that might be, then we will look to target that in the most appropriate area. With the arts and culture of Tasmania that is an area which has been impacted quite badly.

Mr WHITEHEAD - It certainly has.

Mr GUTWEIN - Building on the \$2.5 million that we've already targeted to the arts and cultural areas, now we can look at those options as well.

Mr VALENTINE - Not just the performing arts either. But it's too difficult to know how -

Ms WEBB - The visual arts.

Mr VALENTINE - Yes.

CHAIR - Thank you. Any other questions? No, that's fine. Other questions from any of the members on this one? The vouchers? If not, we'll move to Tourism Tasmania.

DIVISION 22

Tourism Tasmania

Output Group 1

Tourism

1.1 Tourism

CHAIR - This is Budget Paper No.2, Volume 2.

Dr SEIDEL - Premier, I'm going to ask you about business and corporate events and business and corporate travel as well in the tourism context. Earlier, you mentioned you'd like to minimise travel as much as possible. I think it's fair now and if you look at corporate travel and corporate venues, Tasmania was really attractive before COVID-19, particularly for conferences and meetings, particularly when it comes to health and medical conferences - of course it's all stopped now. That's had massive impact in particular in our regions. Premier, have you given any directions to any of your agencies to look at how they can support Tasmanian conference venues by holding meetings in COVID-19 safe venues rather than online? Is there any other support you are currently offering those conference centres and venues which are struggling?

Mr GUTWEIN - There is support for business events in Tasmania. We currently provide funding of \$640 000 per annum to business events Tasmania. We have a focus on securing events from interstate. What I'm hearing you say is you'd like to see Tasmanians moving around the state and conducting events or -

Dr SEIDEL - Agencies that are currently doing online meetings - could they consider supporting those venues by holding COVID-19-safe meetings on site?

Mr GUTWEIN - At this stage we haven't taken a step in that direction for obvious reasons in terms of COVID-19 and the way that we've been conducting matters. I'm sure as they arise we can consider them.

Mr FITZGERALD - I think it's a good idea, particularly as business event season is largely through those quieter months. Premier, I think it's a good idea to consider asking government to do a bit of the heavy lifting for business events.

Mr GUTWEIN - Well, we did exactly that in terms of the 2019 bushfires when we encouraged all our state-owned businesses, where they could, to either take on work in that particular area because of the impact of the fires, where they had part of their forward works program or, conversely, to hold conferences or other business events in regional areas. In fact, we had a Cabinet meeting in the Huon at that time for that very reason. As we get a sense of what's occurring in visitation into the state over the summer and what it looks like for forward projections, we can make decisions for next winter. It is a good idea. When we took Cabinet to the Huon, we also had STT. I think it's Tasman works as well. A couple of other businesses spent money down there. It makes a difference.

CHAIR - Another question?

Dr SEIDEL - The Budget refers to New Zealand and tourism. That's why I'm referring in my question to airport upgrades for New Zealand flights because you've made some allowance for capital improvement works. I think it's \$7.5 million, you know, per annum. Can you give us any indication when the construction works will begin?

Mr GUTWEIN - Okay. Well, in the Budget there's \$15 million across two years - \$5.2 million is for the Launceston Airport; \$5.15 million is a jointly funded project with Launceston Airport to effectively bring forward what its expansion plans were for 2023-24. That will enable the airport footprint to be expanded, which will be useful during the COVID-19 period from a social distancing viewpoint. With proposed New Zealand flights, we've agreed to co-fund with the Hobart International Airport, broadly speaking, a \$17.5 million upgrade to ensure that it has international facilities within the terminal.

That has been scoped up, the plan has been drawn and agreement has been reached with the federal government. We're in the process of finalising those agreements now. The Hobart Airport, once those agreements are finalised, can begin construction straightaway. They've said it was estimated that it would take somewhere between eight and 12 weeks to do the required work. For an international airport, in fact, some of the cost will actually be involved with the scanners that need to be introduced.

CHAIR - Do they need to build a new facility or are they putting it into the existing one?

Mr GUTWEIN - At the moment, it is going into the existing footprint according to the plan they've drawn up. A \$50 million international redevelopment has been proposed, which includes up to a 4000-square metre footprint being built as a purpose-built international terminal. This is about reorganising the existing terminal and ensuring, as an interim measure, that they can cope with international tourists.

CHAIR - Wouldn't that compromise COVID-19 safe practices with social distancing and stuff? Trying to squeeze all in together?

Mr GUTWEIN - What they are proposing and their current footprint are actually able to be done quite sensibly. The same-sized international footprint is at the Sunshine Coast. In fact, I think they have an international airport there and this provides a similar - in fact, a slightly larger - footprint than what's available there.

Mr VALENTINE - Coolangatta.

Mr GUTWEIN - Would that be the airport on -

Mr FITZGERALD - No, it's Sunshine Coast, Maroochydore.

Mr VALENTINE - Okay.

Mr GUTWEIN - So?

Mr FITZGERALD - They take flights from New Zealand currently under a similar arrangement.

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Mr GUTWEIN - So we've committed \$10 million towards that - it's an interim arrangement, and as I've said, some of that \$17.5 million will be utilised to purchase the equipment that's necessary for the scanning and security arrangements as it transitions into the larger development at a later date and time; that equipment would then move across as well.

Dr SEIDEL - The plan is to start as soon as possible and complete it within a 12-week period?

Mr GUTWEIN - Yes. What I've said publicly is that you could be there by the end of January. The first quarter of next year would be ideal. Key and central to this is that the New Zealand government needs to remove its restriction of a two-week quarantine for people travelling to New Zealand, and that's a matter for the New Zealand government that we continue to work on.

Dr SEIDEL - Are you in discussions with the New Zealand government?

Mr GUTWEIN - At a national level, the prime minister is very keen to get that sorted.

Dr SEIDEL - Thank you. Just a follow-up question on that: will the Australian Federal Police then return to the Hobart Airport?

Mr GUTWEIN - Under the terms of the City Deal, they'll provide Border Force and AFP to support that service. Initially it's depending on the frequency of flights. There may be some travel involved for AFP or Border Force to support an initial start-up. Ideally we'd want those services based here in Tasmania.

Dr SEIDEL - Thank you.

Mr VALENTINE - It's a significant number of people, isn't it?

Mr GUTWEIN - Sorry?

Mr VALENTINE - It's a significant number of people they need.

Mr GUTWEIN - It is. Look, off the top of - I couldn't tell you what the workforce would be, but I know in the City Deal, they cost it at about \$8 million as an ongoing cost.

CHAIR - The operating cost, yes.

Mr GUTWEIN - which is mainly for people.

CHAIR - Michael, is your question related to this?

Mr GAFFNEY - Yes. Was it three flights a week?

Mr GUTWEIN - Yes, that's the discussion.

Mr GAFFNEY - So the numbers are going to be spread out over - yes. Is it Hobart-Auckland direct or is it -

CHAIR - Christchurch.

Mr GAFFNEY - It's Auckland, isn't it?

Mr FITZGERALD - It is Auckland.

Mr GAFFNEY - It's not via Melbourne or Sydney; it's a direct flight?

Mr FITZGERALD - No, it's direct.

Mr GAFFNEY - Okay. Thank you. How many air carriers are you envisaging? Is it just the one?

Mr FITZGERALD - Just the one at this point in time.

Mr GAFFNEY - Just Qantas?

Mr FITZGERALD - Yes.

Mr GAFFNEY - Okay.

Ms LOVELL - Is it direct and non-stop?

Mr FITZGERALD - Correct.

CHAIR - So it's Qantas?

Mr FITZGERALD - We haven't revealed the carrier. That's commercial-in -

CHAIR - Qantas is going to have - well, Alan Joyce announced today that they'll only allow international travel for people who have been vaccinated, when that kicks in, but I suppose it's not till the vaccine is available. Yes.

Mr VALENTINE - Could be Air New Zealand.

CHAIR - It may be.

Mr VALENTINE - There you are. Well, they're going to have to wait to find out.

CHAIR - Could be Virgin. Could be Jetstar. Anyone else on - excuse me - Tourism Tasmania generally?

Premier, we know there's been a huge impact. The performance information is to be advised. I think we all understand why that is the case. As things start to change now, we're seeing our borders open. We're hopefully looking forward to opening up to Victoria very soon - not having to quarantine when you return from Victoria or when Victorians come here. We've seen this significant increase in Tasmanians travelling around Tasmania when we were allowed to, so I think there is a bit of unmet demand out there. What are you expecting in terms of that, in terms of flights and that sort of stuff?

Mr GUTWEIN - I'll ask John to talk. It's a really good story.

Mr FITZGERALD - Yes, we've had a great response. We talk to the carriers every day and have been for many months. We've had a great response to what looks like pretty strong demand for Tasmania. In the first week of December, we'll probably return to about 55 per cent of what would be normal December capacity. Then, by the third week of December, it could be as high as 80 per cent of what we'd normally have.

CHAIR - Usual capacity, number of flights and seats.

Mr FITZGERALD - Correct.

CHAIR - Is it into all ports, like including Burnie and Devonport?

Mr FITZGERALD - No, they're a bit slower to come on. Qantas will commence back into Devonport, but not at the same scale.

CHAIR - They're flying next week?

Mr FITZGERALD - Yes. Getting the larger number of visitors in, both Launceston and Hobart are being well catered for. Including some new routes, which is fantastic. We weren't necessarily expecting new routes. In fact, carriers for some months have been saying unlikely to get new routes, but when we've got Qantas going on to Perth, for example, it's fantastic. We've got Qantas going direct into Brisbane, which we've never had.

CHAIR - From both ports, or just Hobart?

Mr FITZGERALD - No, there's Launceston flying as well, but not from Perth. Certainly, yes, Launceston to Brisbane and Launceston to Sydney, et cetera. Yes, it's been a very good response, and we could be up as high as 90 per cent by January. Some of those flights will probably not materialise. They're going to need to fill if they're going to fly. We have the availability to do that. We're out there spending a fair bit of money trying to drive that demand at the moment.

CHAIR - There is obviously pent-up demand -

Mr FITZGERALD - Yes, there is.

CHAIR - which might be met when people actually have their little fix, and it might drop away again. Then we run the risk of flights being cancelled, and people's travel plans being mucked around. That happens even when COVID-19 is not happening.

Mr FITZGERALD - Correct.

CHAIR - There is potentially a greater risk of that. Then there's also the risk if there's a cluster or something, hopefully not in Tasmania but maybe somewhere else, that could suddenly stop flights again. So how has that been?

Mr FITZGERALD - There's going to be volatility, like it or not. Tasmania is not the only place where that's going to occur. The carriers have got to gear back up again. The

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positive sign is that they're prepared to throw plenty of capacity at the market where they see the demand. They wouldn't be putting this on in Tasmania if they didn't think that they had a half-chance of filling it. We do see that at the best of times. We're still going to see that. It's a nice problem to have, the fact that we've got that amount of capacity into the market. You spoke about intrastate as well. We are going to continue marketing to the intrastate market. We've got \$1.5 million allocated in this financial year to Tasmanians travelling in Tasmania. We still need Tasmanians travelling, so we'll still be working that end of the market as well.

CHAIR - Some in the south have realised there's a really nice place to the north now.

Mr GUTWEIN - They certainly discovered the two islands.

CHAIR - They did. That was a very good move.

Mr GUTWEIN - Total bookings including already travelled to Flinders Island, 1294 seats taken.

CHAIR - Since?

Mr GUTWEIN - When did we start? That's between 30 September to - yes.

CHAIR - Two months ago.

Mr GUTWEIN - Yes, between 30 September, planning to 31 Jan by the looks of bookings here.

Mr FITZGERALD - The forward's another - you've got the next figures that's already booked.

Mr GUTWEIN - So that's 1294 already booked. Forward bookings, a further 783 as well.

CHAIR - That's the direct Hobart to Flinders Island?

Mr GUTWEIN - It is. For King Island, total books, 1012 to King Island as well, with forward bookings booking from 18 November another 528 seats.

Mr VALENTINE - Compared to previous years?

CHAIR - Zero.

Mr GUTWEIN - Zero. They didn't have the flights.

CHAIR - There's zero because there was no flight.

Mr GUTWEIN - In fact, we're actually working to get additional hire cars into Flinders Island. One of their problems was that people were turning up, not booking accommodation.

CHAIR - Really?

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Mr GUTWEIN - But the island has managed it. But as you can imagine -

CHAIR - A bit of homestay.

Mr GUTWEIN - As you would know.

CHAIR - They're very friendly people.

Mr GUTWEIN - They are. But for some, it's been a little challenging.

CHAIR - Not necessarily; always 100 per cent welcome.

Mr GUTWEIN - I can say loudly on Flinders Island they are. It's just been an outstanding success.

CHAIR - Is there any intention of the Government to support the ongoing access in that way? At least it'll be down because again, so many people haven't been to Flinders Island and so many people haven't been to King Island. People visit once; are they're going to go back. We don't really know. What's the future for it, do you think?

Mr GUTWEIN - The contract that we put in place, from memory our total exposure if no one went was around \$750 000. Fifty per cent capacity, the government would be underwriting at a rate of about \$250 000.

Mr FITZGERALD - Even less than that. Closer to 200.

Mr GUTWEIN - Closer to 200. We need to work it through, but the level of support will be at the lower end in terms of the service that we've got on here, and so we're looking to keep it going for a longer period. It's certainly something that we could consider.

Mr VALENTINE - I think golf will attract a lot.

Mr GUTWEIN - It appears that there's a very strong appetite for the islands. It's understandable. I'm not sure if everybody at the table has been.

CHAIR - There's some new high-quality accommodation on the island. I don't know about Flinders so much, but certainly on King Island. That does attract the golfing fraternity and others as well.

Mr VALENTINE - It surprises me you couldn't go from Hobart to King Island before. You could go from Hobart to Burnie.

CHAIR - You haven't been able to do that for long time. It was a real shame when that flight was lost because we lost a lot of capacity for health professionals to travel. It should be revisited from a health perspective, because it was unrealistic. What was being proposed was medical professionals having to drive up and down that highway. You can't see half the patients. In terms of the ongoing support is there any request for ongoing support for our bigger carriers coming from the mainland? Or is that more a federal government responsibility, do you think?

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Mr GUTWEIN - Sorry, in terms of underwriting seats from the larger carriers?

CHAIR - There's none?

Mr GUTWEIN - No.

Mr FITZGERALD - No, we're not.

CHAIR - We're not asking for it?

Mr FITZGERALD - I wouldn't say it's never been asked for, but we have resisted that as most people have. Their airlines are looking for as much support as they can get, but they're loading the capacity without any additional financial support.

CHAIR - Right.

Mr FITZGERALD - Obviously we have marketing arrangements with the carriers, so that's how we help them generate demand, so we have cooperative marketing campaigns with Qantas and the Virgin Group. That's the best way to support them.

CHAIR - No other questions anyone? So just the holiday local campaign, that's the COVID-19 response under this area. How's that different from the travel vouchers?

Mr FITZGERALD - The travel vouchers were a component of that, if you like. The Make Yourself at Home campaign is a campaign that goes right across the year. We spent \$300 000 in the last financial year. The Premier provided us an extra \$1 million over the end of last financial year and this financial year. We're going to invest even more of our own budget in that, so it will be \$1.5 million investment across the course of this year.

CHAIR - That's promotional work predominantly?

Mr FITZGERALD - Correct.

Mr FERRALL - Yes. We've been able to respond to the different needs which you were questioning before. One of the challenges we've had is urban hotels have struggled. We're going to regional Tasmania, but not urban, so we've done a city breaks-type component. We're looking at what is the need at the time, and we're trying to design it as we go under the Make Yourself at Home umbrella. It seems to be being received well in the market.

CHAIR - Maybe some of the reconnaissance needs to be looking at some of those tourism operators who missed out when the people who were travelling around Tasmania, perhaps using a certain type of accommodation. I don't know how much high-end accommodation there is in Bridport, for example. If it's not available, then obviously others will be used.

Mr FITZGERALD - It's been a mixed bag, is the bottom line.

Mr GUTWEIN - Plenty of quality accommodation.

CHAIR - Yes, up to about \$600 to \$700 bucks a night or more.

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Mr GUTWEIN - I couldn't tell you.

CHAIR - If there are no other questions on tourism -

Mr VALENTINE - Actually, there is one extra, sorry. With respect to local tourism information centres, what is the state of that at the moment?

Mr FITZGERALD - It's ongoing. We provide out of our budget \$70-odd thousand to run the Tasmanian Visitor Information network. That is a human resource that works with the 19 accredited visitor centres to oversight their programs. We also provide significant funding, \$150 000 to Hobart and \$120 000 to Launceston - the two gateway centres where most people start their journeys. That's still being provided.

Mr VALENTINE - Thanks.

CHAIR - Is that the last question?

Mr VALENTINE - Yes, it is.

CHAIR - Well, thank you again. We'll just have a five-minute for your staff as the Minister for Prevention of Family Violence.

The Committee suspended from 5.21 pm to 5.28 pm.

DIVISION 2

(Department of Communities Tasmania)

CHAIR - Premier, we've moved into your portfolio as Minister for Prevention of Family Violence. Please introduce your new staff member at the table. Do you want to make a statement in relation to this.

Mr GUTWEIN - I think we'll move straight to questions.

CHAIR - Okay.

Mr GUTWEIN - On my right is Mandy Clarke, Deputy Secretary, Children, Youth and Families. I have brought with me the update and the annual report, responding and reporting 2020, which I tabled yesterday; I don't know if members have -

CHAIR - It would be great to have a copy, yes, thank you.

Mr GUTWEIN - So I'll leave copies with you. We can move straight to questions if that suits.

CHAIR - Okay. We'll go straight to Meg.

Ms WEBB - Thank you. I'll be interested to look at the report, thank you.

First of all, congratulations on retaining this portfolio, Premier. I think it's an excellent statement about its importance so thank you for that. One of the things I'm interested in checking with you is the action plan, which is pivotal to driving things forward in this space. Looking at the performance information for it on page 46 of Budget Paper No. 2, Volume 1, I see the stated performance indicator is -

Actions on schedule against the milestones and timeframes identified in the Safe Home, Families, Communities Implementation Plan.

Where is that presented. When I look at the materials online for the Safe Home, Families, Communities action plan, I find the action plan, it's the actions in it and I find some reports, but they only seem to have implementation plans like milestones and evaluation-type statements about achievements. Perhaps what you've just passed to us has something along those lines. Tell me how you are reporting on those milestones and how the implementation and evaluation is done?

Mr GUTWEIN - Mandy, do you want to lead off? That annual report that I've handed out will provide some of that detail you're looking for. But I'll ask Mandy to -

Ms CLARKE - The figures there refer to the internal governance over the whole of the government action plan is that departments. Through the plan we've clearly identified which department is responsible for its action. We do internally quarterly reporting, so what they're indicating is that we're on track with the roll out of individual actions in accordance with that implementation plan. The annual report provides an overall summary of the year's activity and/or any additional activity that occurs which might be related.

Ms WEBB - So there's not somewhere in the public domain that I can go to, to see the implementation plan that has milestones and reporting against those milestones as a member of the public or even a member of parliament?

Ms CLARKE - No.

Ms WEBB - That's internal agency information only?

Ms CLARKE - Yes.

Ms WEBB - So we just take it on faith that these numbers are correct and we can't check them?

Ms CLARKE - Yes.

Ms WEBB - Interesting. That's a shame, isn't it?

Mr GUTWEIN - We need to think about how we might better report that more fully.

Ms WEBB - It will be of interest. There's a statement in these documents which is about 'our commitment' and then there's a list of dot points. At the moment the document that I'm looking at is one of the reports which are online about it, last years. In the list of dot points, the final dot point under this commitment is that, 'We will monitor, evaluate and report on our efforts.' In the interest of communicating well about that in the public space, we do need to see

that monitoring, evaluation and reporting done. Summaries are good and sometimes that's the level of detail you want, but for accountability purposes something beyond that is required. Particularly if there's to be an evaluation element, not just what did we do but when we did these things what impact did it have, how well can we say we did.

Mr GUTWEIN - The second page of that annual report has a range of highlights. Is that the information you're looking for? Some of the information that you're looking for what we're doing: 4421 at risk children identified, 197 high risk family violence incidents mapped, the notifications required to provide support and counselling, et cetera.

Mr GUTWEIN - But you're looking for more than that, I get the sense.

Ms WEBB - I am, and if I may just explain why because it might help.

Mr GUTWEIN - Yes, can you tell me exactly what you'd like to see and then I can -

Ms WEBB - So when we have actions listed, and then were you doing that towards achieving outcomes, and listing things isn't necessarily just telling us are we achieving these outcomes or how well are we achieving these outcomes, it's just listing things. Unless we have the context of milestones to achieve or targets to meet or that evaluative element beyond just a list, we don't really know how to interpret the numbers. These numbers sound good and I'm sure they are, but I don't know how to interpret these numbers against success or progress.

CHAIR - Say, 64 households are assisted by the Family Violence Rapid Rehousing program, how many families actually presented for needing assistance with that? Is 64 10 per cent, or is it 90 per cent? Is that the sort of thing you're looking for?

Ms WEBB - That sort of thing.

Mr GUTWEIN - Against that, what referred last year as well, so you've got a -

Ms WEBB - Yes, yes. I'm sure these are all excellent, but listing things doesn't tell us about how well we're doing or how we're tracking or progressing. That's what I'd say about many things the Government lists instead of presenting information that's meaningful regarding impact or achievement or target meeting.

Mr GUTWEIN - I'm happy to take that feedback.

Ms WEBB - Yes, good. Thank you for that, I appreciate you taking that on board. To pick up on the question that the member for Murchison highlighted a moment ago. In regard to that rapid rehousing, do we know what the unmet need is, in that space? It's excellent that we've assisted 64 women and families with rapid rehousing. Do we know how many people have been turned away or not been able to be assisted but assessed as eligible?

Mr GUTWEIN - Very good question. We will see what information we can provide.

Ms CLARKE - Rapid rehousing is an interesting program. There are 50 properties allocated across the year, so it is really driven also by the social housing providers who intend to be the administrators of rapid rehousing because they're privately owned properties in the market. It's about their availability as well and they do a really great job. They maintain a pool

that's slightly higher than that. In response to COVID-19 the Government allocated an additional 20 properties and that has been a very slow build over the last few months, and we expect to be at full capacity early in the new year.

Importantly to answer your question, to monitor demand one option the Government did make available through COVID-19 was flexible support packages. What those packages offered victims who are wanting to leave relationships was more immediate access and more flexible responses rather than just a property. Those packages can be used for a range of things. When we're examining, our intention for the future is to examine rapid rehousing, it's also to look at flexible support packages regarding the outcomes and the benefits for people.

Ms WEBB - Will those flexible packages still be focused into the housing space to provide housing options for people?

Ms CLARKE - Correct. One option was for a person to be able to use some of those funds to set up and also source a new home.

Ms WEBB - To rent?

Ms CLARKE - Yes, that's right.

Ms WEBB - In transitioning from these rapid rehousing properties, is there a time limit within which people transition out? Or are we finding people are staying and you're just sourcing more private properties to come into the scheme?

Ms CLARKE - The intention is when a victim chooses to leave their relationship, the plan has always been on rapid rehousing but the tenancy is transferred over to the individual as much as possible. That doesn't always happen, that's the overall intention and why it's important to maintain a pool. The housing services through the Department of Communities administers rapid rehousing, and so they're fairly active and of course they have a broader remit around rapid rehousing generally. This is one sub-group of a rapid rehousing response.

Mr GUTWEIN - In terms of that support that we provide.

Ms CLARKE - Yes, through you, Premier. The Housing Service, the housing providers, actually do some support. It goes through the Housing Connect Front Door system. Importantly, people who may be living in those properties who have or are escaping violence or transitioning to a new life, many support agencies are already involved with them and they continue through as a person enters into rapid rehousing.

Ms WEBB - I'm familiar with the fact that the houses can have security elements added and things like that, which is excellent I believe, under that program, correct?

Ms CLARKE - Yes, correct, and there's additional mechanisms available to people through Commonwealth funding, that the Department of Justice submitted through Keeping Women Safe.

Ms WEBB - I want to understand the point at which the assistance ends and then, as you say, the person then potentially is staying there in the property and maintaining the rental then as the individual that they are rather than as part of the program. In most cases are we finding

that that's what happens? That the person stays on in that same property or are there instances in which they've had to transition out into other arrangements?

Ms CLARKE - I think there would be occasions when people would transition by choice.

Ms WEBB - Because of cost?

Ms CLARKE - We would need to seek advice from Housing to be able to answer that in an informed way.

Ms WEBB - They'd be bearing a higher cost once the Rapid Rehousing support element ends?

Ms CLARKE - Yes, the Commonwealth benefits might kick in regard to other subsidies that might be available. We need to take that on notice and seek some advice from Housing.

Ms WEBB - Who hasn't maintained the tenancy once this program has finished supporting them? What were the reasons they haven't been maintaining that tenancy, particularly if that reason is cost?

Ms CLARKE - Yes. We will, if we can, as many social housing providers are the actual provider of rapid rehousing. Some exit pathways for victims may be into social housing options that are currently delivered through those social housing providers.

Ms WEBB - Yes. We know how clogged up that area is and - I mean, transition from any sort of emergency or crisis situation or that sort of focused support to the next thing is always the bottleneck, as we well know. I'm interested in understanding what that looks like here.

What about shelters during the COVID-19 time? Are women's shelters providing assistance? Was there a reduction in services required because of the shutdown across the COVID-19 time?

Ms CLARKE - Our advice is from a family violence perspective, noting that crisis accommodation is delivered through the Housing portfolio, is that the system was managed quite well through the COVID-19 period. This is consistent with advice from the sector generally. The situation continues to be monitored through the COVID-19 time. Our understanding from the shelters is their data were reflecting what they would normally reflect in an average year, but we would need to get some more advice from Housing in relation to that; it's a question for Housing.

Ms WEBB - I will raise it with Housing when we see them on Thursday.

From a family violence perspective, had that been reported through this space, was there a reduction in what was able to be provided? Are there any other elements you would like to point to within this plan that were particularly impacted by COVID-19 and are notable?

Ms CLARKE - A couple of actions occurred that were very important and certainly allowed the Government to respond well and be very proactive with our family violence readiness in the future. There was an acceleration of some of our response actions.

One of those in the family violence sector was the website and its advice. We're very thankful to the sector for its support during that period as well for providing information and supporting the relevant government teams who were part of accelerating responses. That provides an information portal and a ready way to communicate as things are developed.

A more recent improvement to our response has been the formation of some training modules and links, some of which relate to the up-and-coming emergency season. We've developed fact sheets in a range of different languages. We didn't have that capability beforehand so I would draw attention to that.

I think the negotiation the Government has done in relation to COVID-19 expenditure - revenue, sorry - from the Commonwealth as well is importantly the state's investment. We were the first state to make some investments and it was a good example of the need to move early to set your services up in the event that sometimes things tend to can take some time to unfold.

Ms WEBB - Did COVID-19 impact particularly on delivery of behaviour change programs for perpetrators? Is there still an impact in that space? Was there a reduction in those being offered programs or participation in or availability of those programs?

Mr GUTWEIN - I can give you some numbers. In the time frame for the financial year at the end of June 20, those numbers were: 318 family violence perpetrators participated in the government rehabilitative service, while community-based rehabilitation services were provided for 76 perpetrators in the south, 71 in the north and 20 in the north-west.

We did have some impact on our services for obvious reasons due to COVID-19. All perpetrators engaged in government-based behaviour change programs between January and March 2020. There were those who didn't or were unable to complete the program at that time due to the COVID-19 restrictions. We then didn't engage any new programs from April to June 2020 for obvious reasons. Staff continued to engage though with clients on an individual level via the court programs as best they could whilst working to ensure that safety was being managed. In June, Relationship Australia men's staff worked remotely which reduced capacity to deliver some components of that men's program.

An assessment was conducted in terms of the suitability of providing services over the phone on a case-by-case basis for children who may have been in the home at that time. The groups were put on hold with a view to resuming as soon as practical once COVID-19 restrictions were eased and the clients who commenced in the program were provided with individual check-ins. We then began group and individual face-to-face sessions and resumed in late June and early July.

Ms WEBB - Were any of those programs based or run in prison rather than in the community? If so, what happened during the COVID-19 time for those programs?

Mr GUTWEIN - In terms of probation - in regard to the group-based behaviour change programs and the unavailability of those as a result of COVID-19 early on, The Community

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Corrections program started to develop resources for probation officers managing criminal violence persons in isolation. They developed case management tools and used phone contact during that time as face-to-face wasn't available. In terms of the prison, I'll ask Mandy, she's got the -

Ms CLARKE - Yes. One program was offered through Tasmania Prison Services and we would need to get some advice from Justice to answer your question regarding what occurred during COVID-19 at the TPS.

Ms WEBB - I'd appreciate that. Then what may be being done now compared and subsequent to whatever impact COVID-19 had. Others may have questions in this space.

Ms LOVELL - There are close links between family violence and circumstances where women have limited or no access to abortion and other reproductive health services. As I'm sure you're aware, in Tasmania, there's very limited access to that in the public system under some very restricted circumstances. A number of organisations have worked very hard to assist women and support them in accessing abortion through some private providers.

We were supposed to have a low-cost [termination] clinic, but we don't. What will you do to make sure that that commitment is delivered and women can access low-cost terminations in a way that is supported by the Government and protected by government involvement?

Mr GUTWEIN - I'd need to seek some advice from the Health minister on that matter. My understanding was that arrangements were put in place for travel support and other access support for low-cost abortions still available in this state. I'd need to seek some further advice.

Ms LOVELL - I'd appreciate that. Yes, there is some travel support available and yes, there are very limited places where you can access a low-cost abortion, but that's really by those private providers agreeing to provide it at that price. Only in certain parts of the state is this available. If you're a woman living on the north-west coast, for example, and in a family violence situation, it's not that easy to have even the travel paid for. You can't just travel away from your home -

Ms WEBB - Especially if you're having to keep it a secret.

Ms LOVELL - It's not safe. I would really appreciate it if you could look into that.

CHAIR - There is the stigma associated with having to go somewhere else and stay.

Ms WEBB - Well, maybe the danger because of a family violence situation.

Ms LOVELL - Well, it is dangerous. If you could get some more advice, I'd appreciate that.

Mr GUTWEIN - I'm happy to do a follow-up with the Health minister.

Ms LOVELL - Thank you.

CHAIR - We'll follow up with her.

Ms LOVELL - We will follow up with her tomorrow, but I'd like to know from your perspective as Minister for the Prevention of Family Violence specifically what action she'll be taking.

Mr GUTWEIN - Okay. We'll get some advice from the hHealth minister.

Ms LOVELL - Thank you.

CHAIR - Bastian, do you have a question?

Dr SEIDEL - Yes, thanks for providing the report today, which is good. I'm just mindful, reading through it, that there's no specific mention with regard to regional and rural Tasmanians. I saw the numbers supported were quite decent, but, you know, it might just fall off in our regional areas.

I give you an example: the Huon Domestic Violence Service has had five times double the presentations for the last five years, and their staffing levels are the same. They don't have a specific counselling service for children and adolescents. It just doesn't exist and that's the only service in the area in Huon. If you're living in the Channel region or on Bruny Island, you're actually referred to Huon Valley to access the service there. The only other counselling service is Relationships Tasmania but they are now closed for referrals as well. That's no longer an option. The closest safe house is in Kingston and they are turning away 12 women from the Huon a month. I don't think it's a good statistic. Could we look at regional issues and rural issues for counselling services in Tasmania? It seems to me those services don't exist very well at all. We have data about the increase of presentations for the Huon and have seen staffing levels actually stay the same. What sort of data do you get back and when do you start to act? When you see more presentations in regional areas, we need to support those services and improve funding for regions to provide those services for women.

Mr GUTWEIN - Mandy, have you some?

Ms CLARKE - It's a very good point. In regard to regional Tasmania, some of our key learnings to date have been - when the Government introduced the flexible support packages, that actually indicated for many people they were getting reach because they were more of a mobile form of support that was more readily accessible to those living in rural remote regions. We have one action in this plan to develop some minimum datasets. One key learning through Covid-19 - when I say, 'we', it's the industry and being government and non-government partners in this - has been the need to develop datasets that are more informative than perhaps they are now. There is an action, I think it's action 35 or 36 in the plan - it's around that figure - that one of the key thinkings behind that has been to have greater coverage in governing oversight of demand into services - in particular, knowing there are unique things about family violence in rural remote communities.

Dr SEIDEL - Can I ask a follow-up?

CHAIR - Yes.

Dr SEIDEL - Would you consider reporting on that next year? It should be possible to report on the data. Surely, you're gathering the data anyway? If we don't report on it, no-one's

going to act. I'm going to ask the same question next year about how we're supporting domestic violence services in rural areas because we know the demand is there.

Ms CLARKE - We have a stakeholder forum group today - I think it's an important issue - I'm just conscious of how far we might have progressed on that issue in response to your question. If we commit, we'll certainly commit to saying 'Let's put a plan in place', and we can communicate that plan as to how we were collecting that data.

CHAIR - What level of data do you actually go down regarding the numbers reported on page 2 of the report? It would be helpful to have the data broken down by local government area and by numbers in each area. That will show us - and also you, Premier - where there are perhaps hotspots, and where reporting is occurring and then matching up the services against that. You may not have that data now to provide to the committee, but it would be helpful to have it at a later time so as to understand where the reports are occurring. Can you provide that level of detail?

Mr GUTWEIN - I'm not sure there any issues with reporting at regional levels.

Ms CLARKE - It would be important for us to do a thorough risk assessment with a number of people relating to reporting public data at a granular level on this topic. There'd be numbers of professionals who have views, and the first step will be to examine that and provide for discussion and commentary so an informed decision can be made.

CHAIR - Well, certainly north-west, north and south should not be singled out.

Ms WEBB - Yes, regional should be safe.

CHAIR - Yes, regional should. Let's start with that as a very minimum.

Mr GUTWEIN - Lifting up means looking at it at a regional level.

CHAIR - Yes.

Mr GUTWEIN - Comfortable with some of our LGAs.

CHAIR - Are quite small, yes.

Mr GUTWEIN - We can certainly look at regionals.

CHAIR - Certainly regionals - yes. In terms of the data, there are a number of graphs that indicate the number of incidents police have responded to. Probably the number of incidents been responded to. How many individual perpetrators, if you like of family violence does this reflect? The police may respond to a number of calls to the same family. Do we know how many separate families this relates to?

Ms CLARKE - We need to have a discussion with key people. We do have data analysts but we would need to have a much more detailed discussion about what might be appropriate for public release. What wouldn't be or would be appropriate publicly provide.

CHAIR - In, for example, action 13, we have - '800 family violence perpetrators were assessed and provided with information and referral through the Men's Referral Service'. So, 800 perpetrators out of a potential of 6000 incidents. If those 6000 incidents are actually only 1000 perpetrators, that's a really good indication we're actually getting to the people who we need to. I can't understand why you wouldn't be happy to look at the number, not just the number of incidents - that's just this one measure - but if the police are constantly going back to the same person -

Ms CLARKE - I'm sorry to cut you off; I'm just not sure of the capability of the data collection systems at the same time. I'm conscious a number of agencies are involved.

CHAIR - Well, maybe this is a matter for further report? How often are you planning to release this? Every year?

Mr GUTWEIN - I think you've raised some really good points about what we can do with data. Now, as Mandy said, we have to be mindful of just how granular we make it.

CHAIR - Yes.

Mr GUTWEIN - There are some aspects of this into which we can do a deeper dive and understand it more clearly. In regards to our reporting, it would be of more assistance to us to do this better.

CHAIR - Target your resources better. It is a finite level of resource we've got and we need to make sure it's most effectively targeted to make a bigger difference.

Ms WEBB - A benefit of putting data into the public domain is not just the reporting and the accountability for government spend and services, but it is also the availability for others to bring effort to bear on understanding the issue and coming up with ideas, initiatives and solutions. Doing good research; data becomes a resource. Having open data to whatever extent you can make it available is particularly important with this sort of issue, which crosses so many different organisations who support these services. Comprehensive data is inviting others to join the effort.

CHAIR - Also there are the service deliverers who may perhaps increase their effort in the north-west or Hobart or wherever.

Mr GUTWEIN - That's right. I understand.

CHAIR - You don't have to. I know that there's been some recent publicity around the issue of non-fatal strangulation. It is a matter of the Attorney-General regarding legislative reform. We know that she has asked the Sentencing Advisory Council to have a look at the sentencing around that.

We know it is an absolute red flag and progresses often to other violence, particularly homicide. What is your view, Premier? Recently we had a briefing arranged Engender Equality with representatives from Legal Services and a survivor of non-fatal strangulation. They made it really clear that unless we create a platform where women can identify this as a distinct risk, because we heard that women will sometimes say, 'Well, yes, he put his hands around my neck'. They didn't see that as a separate, potentially particular, offence.

Mr GUTWEIN - In fact, you've spoken to me about this before, as have others. The Attorney's getting advice from the Sentencing Advisory Council. I'm keen to see if we can strengthen the law. I note, and I think it's a point that the Attorney has made, that there is a range of varying offences that can be used within the Criminal Code. But I understand very clearly from the sector that it would like to see some action in this, and I'm keen to see if we can take that forward.

Ms WEBB - Have you received a briefing directly as the Minister for the Prevention of Family Violence about non-fatal strangulation?

Mr GUTWEIN - Not directly, but I have spoken - I was briefed, I think. We met in January, I think, and that was raised in that discussion, and in other discussions as well, but in terms of the formal briefing from the department -

Ms WEBB - No, I mean from service providers, advocates and so on. You'd understand their arguments around not quite the right fit and the inadequacy of the existing provisions.

Mr GUTWEIN - I do.

Ms WEBB - Crimes that are there, yes.

Mr GUTWEIN - The Attorney's made that referral. We'll take advice. You've spoken to me before on this particular matter, and I'm keen to understand fully what steps we could take once we get that advice back.

CHAIR - My other point is regarding action 28, the preliminary results of the electronic monitoring trial show a 70 per cent reduction of family violence. This is across the state - an 82 per cent decrease in high-risk family violent incidents, which can only be good news. The Tasmanian Institute of Law Enforcement Studies - TILES - is undertaking an independent review of the trial. The evaluation report is due late this year. Obviously you don't have that yet, otherwise you would have provided it. Is that still on track for delivery at the end of this year?

Mr GUTWEIN - Mandy, do you want to talk about where that's up to?

Ms CLARKE - In relation to the electronic monitoring, we are responding to that question later this year. I think we would need to get advice from Tasmania Police about what they're expecting because they're the ones who are technically -

CHAIR - This is a report done by TILES. Is it on track for being released this year?

Ms CLARKE - Yes, but I think that contract with TILES is through Tasmania Police.

CHAIR - They commissioned it.

Ms CLARKE - Yes. We just need to get some advice from Tasmania Police about that.

CHAIR - I found it interesting, the point in relation to action 28. There were 161 family violence perpetrators who were tracked through that electronic monitoring trial, and maybe it is a matter for the police as well, but with 63 victim survivors also opting in, which I assume

means that 63 victim survivors were alert to where the perpetrator was. Interesting if it's being looked at why those women would choose to be alerted as opposed to that choose not to. I knew that most of them didn't want to be alerted to where that person was because they'd rather leave it to the police.

Mr GUTWEIN - I've some further information I could share on the trial. Preliminary data of those involved with the trial when comparing their offending history in the 12 months prior suggested the following outcomes: an 82 per cent decrease of high-risk incidences; a 70 per cent reduction of assaults; an 80 per cent reduction of threat; an 89 per cent decrease in allegations of emotional abuse; and a 100 per cent decrease in reports of stalking.

A final independent evaluation of the trial is being conducted by the Tasmanian Institute of Law Enforcement Studies at UTAS. It's expected to be completed by the end of 2020; it is due on 30 December, which is when we should have it. By all accounts it's been highly successful in terms of the trial.

CHAIR - It may be a matter for Tasmania Police, but is that report likely to be made public?

Mr GUTWEIN - I think I just made some of the findings very public.

CHAIR - Yes, that's right. Okay, back to you then.

Ms WEBB - Thank you. Action 34 is under the strengthening of service system section - it talks about the rollout of mobile phone data extraction devices to collect evidence of technology-facilitated abuse. What is our capacity to respond to technology-facilitated abuse. I'm interested in our ability to respond to that. This seems to be targeting an aspect of that to assist with how we respond. There's a news story put up on ABC releasing research from Westnet, Curtin University and the University of New England discussing domestic violence offenders increasingly using technology, GPS trackers, surveillance cameras and technology-based abuse. That's really becoming a more prominent feature in this landscape. Could you tell us a bit about how well we're placed to respond to that distinctly increasing trend?

Ms CLARKE - In relation to action 34, that is an action administered by Tasmania Police, so there's seven - it's really used for evidentiary purposes. What was happening prior to the introduction of the devices was sometimes, depending on where Forensics are based, people had to hand over their mobile phones. Understandably people are very reluctant to do that. It's provided a level of mobility and more statewide coverage, which works for people. It's a very efficient system, so whatever mechanisms are on the phone can be downloaded quite efficiently by the local police officers.

The broader issue of technology abuse is a focus in the new plan. Work has occurred and will continue to occur in 2021 in regard to the role of the eSafety Commissioner, so the Government has rolled out workshops across the state for this. They've had good attendance. In more recent times in relation to the issue of technology abuse, we have services that now do have through additional stimulus money spyware material that's available to them and further education in terms of working with victims. Generally, it would be accurate to say the service sector has been very engaged, particularly with the eSafety Commissioner, in educating themselves on this topic.

Ms WEBB - Why is the funding allocation here on this line item across forward Estimates relatively flat? This current plan goes to 2022. Is the review of this plan, and then the formulation of perhaps the next iteration of the plan captured within the funding allocation there in the Budget?

Ms CLARKE - The timing of this action plan was to align with the national action plan. It was over three financial years, which places the Government in a position in its planning to align with national activity as well.

Ms WEBB - Is it the expectation we would have the next iteration post-2022? I'm seeing nods, yes. We would be developing that next iteration ahead of 2022. What is the allocation of funding here in the Budget Papers, does that capture this process?

Mr GUTWEIN - Any additional funding required will be considered in the context of either the upcoming 2021-22 Budget, or in the 2022-23 Budget, dependent on the timing of the rollout of the plan. If we need to put additional funding in, we will.

Ms WEBB - Thank you.

Mr VALENTINE - So I noticed in 33 - strengthening mechanisms for schools to respond to technology-facilitated abuse, including image-based abuse, but in 37 - 'develop and deliver training across identified Tasmanian Government services to respond to family and sexual violence.'. Obviously teachers come across students from time to time who have been the subject of family violence, how strong is that connection is, what avenues they've got to report and get some of these kids get help.

CHAIR - Is there mandatory reporting there?

Mr VALENTINE - Yes, there's a mandatory reporter. They are a mandatory reporter, but I'm just interested in the education system and how it facilitates all that.

Ms CLARKE - This particular action plan, I'll just discuss perhaps one of the main support functions available both to principals and schools, which importantly then support students who may also experience violence in their own right. There is the Safe Families Coordination Unit, and essentially that is a combined unit. A police-led unit, the main agencies are involved and it has -

Mr VALENTINE - Four or five agencies.

Ms CLARKE - Correct. That unit has capability, of course, because of the representation of the agencies to across the data holdings. It has capability in regard to responding from the criminal justice approach with police reporting. From that, schools get noticed, so there is contact from the Safe Families Coordination Unit into a local school. Under this particular action plan, the Department of Education also receives support functions for its school social support teams, so they also provide support. For independent schools, counselling services are available for young people themselves, so it happens on a number of levels. There's, of course, the Respectful Relationships Program in schools, which is about changing behaviours and attitudes in our younger generation. The Department of Education responds to online abuse in that area. I'm sure that they respond much more broadly and are best placed to answer that question.

Mr VALENTINE - I'm aware it came in some years ago, but I just wasn't sure whether it was still current. Thank you.

CHAIR - Member, do you have any others?

Ms WEBB - No, that's fine.

CHAIR - We'll just move then to 90.7 the COVID-19 response, family violence prevention. There is some information on page 27 of this. I do note a little typo, let me just mark it.

Output Group 90
COVID-19 Response and Recovery

90.7 Family Violence Prevention -

CHAIR - Premier, we are on page 27 of Budget Paper No. 2, Volume 1. Under 'National Partnership Agreement - COVID-19 Domestic and Family Violence Responses', the second reference '2020-21' should be '2021-22'. I assume that unless there's some other evidence of increasing demand, there's a real risk we will see increased reporting as people emerge from lockdown - perhaps more so in Victoria - in the coming months. That's the anecdotal evidence from around the world as well; it's not just here. If that sort of support needs to continue, will you lobby the federal government for an increasing investment in that area?

Mr GUTWEIN - Absolutely. I think the challenge is that a lot of what we thought initially we would see in terms of the spike through the lockdown didn't occur. I think there is a wave coming.

CHAIR - It was hard to report when you're locked down with a perpetrator.

Mr GUTWEIN - If we need to lobby the federal government, and absolutely if we need to take further steps ourselves, we will do so.

CHAIR - Would that be a matter for National Cabinet to consider? Yes.

Mr GUTWEIN - What we'll see in regard to the effect post-COVID-19 will affect all jurisdictions.

CHAIR - Absolutely.

Mr GUTWEIN - It'll certainly be a matter for our National Cabinet to consider, and I will report on it.

CHAIR - If you go into Family Violence Prevention at the top of that page, it lists the various aspects of the additional funding there, which is all great. It's hard to measure unmet demand in all this. That's one of the things with the data that we went back to. It'll be helpful to have a bit more detail around the data. In regard to the \$100 000 for primary prevention awareness campaigns, what's the particular focus of that?

Mr GUTWEIN - Mandy will have that at her fingertips.

Ms CLARKE - There is an allocation of funding that's progressively being used for prevention activity. Primarily of late related to fact sheets converting them and making sure that information was available through COVID-19 for people from non-English speaking backgrounds. That's been one of the main things. There was, and are, resources available for people in relation to COVID-19. Fact sheets were developed, as were postcards, which the services used.

The service system was actually part of the development of that; some of that broader prevention money of \$100 000 was used to progressively convert fact sheets to non-English languages. How to best spend that and ideas put to government about the best way forward really came from a family violence stakeholder group during COVID-19. We meet intermittently now and would reconvene regularly if we were needed.

CHAIR - During COVID-19 it was very difficult to report. Sometimes a victim has very limited opportunity to get out of the house and there are very limited places they're 'allowed' to go, so there's been some really innovative models used around the country and world, no doubt, in providing reporting mechanisms. I'm not going to talk about them, obviously. To assist victims to do that, has work been done by your department in that area, finding ways to actually make it possible? Then also letting victims know how to access this is the other challenge without blowing the whistle on it.

Ms CLARKE - The initial focus during the COVID-19 lockdown primarily was about acknowledging there's only certain places in a full lockdown that people will visit. Some of that was drawing people's attention to supermarkets. Through the Minister for Health, we actually also worked with the local pharmacies if we ever needed ready access to move into the back of prescriptions, those sorts of things. We have templates through the postcards that are fairly generic which can mobilise into different formats or modes of communication, depending on -

CHAIR - So there is work being done in that?

Ms CLARKE - Correct; I can mobilise into a region quickly, if necessary, in a very targeted way, but we are open to ideas, of course.

CHAIR - Yes, that is an offer for an open forum.

Mr VALENTINE - With regard to your previous observation on Education and its gateway system being of assistance, do you have any statistics on how often that's used?

Ms CLARKE - I'm sorry, could you just clarify for me?

Mr VALENTINE - The group of five departments you were talking about before.

Ms CLARKE - Yes.

Mr VALENTINE - Their interactions with schools, principals and the like. Do you have any statistics on how often that gateway is used, if you like to put it that way? In helping and detecting children who have been subjected to family violence?

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Ms CLARKE - Through you, Premier. Some of the data in the responding report where it refers to students, what's driving that data in terms of primary sources is information from that unit. That is what's driving it.

Mr VALENTINE - Okay. So that gives us a fair idea, thank you.

CHAIR - No other questions on that? It's a really important area which unfortunately is not getting any less needy. Climate change. I think we've got to bring Jenny back. Just give me a moment to change the team.

DIVISION 9

(Department of Premier and Cabinet)

Output Group 1

Support for Executive Decision Making

1.2 Climate change -

CHAIR - Premier, if you want to make an opening comment, you're welcome to.

Mr GUTWEIN - No, I am happy to go straight to questions.

CHAIR - Okay, over to you, Bastian.

Dr SEIDEL - Thanks. I want to make a comment about performance information as well. I think the Chair commented before that the performance indicators are up for review. I was a bit more cynical because, you know, the only performance indicator was going downhill fast so I thought that's probably another good reason to look at it.

However, the first question is about Climate Action 2021, the climate action plan. I appreciate there's funding allocated - \$750 000 for 2021. There's nothing else there in the forward Estimates, so are we going to have a climate action plan 2026? If so, is it going to be funded?

Mr GUTWEIN - Yes, it will be. We're in the process of development at the moment and it will be funded through the 2021-22 Budget and ongoing.

Dr SEIDEL - So it will be ongoing funding?

Mr GUTWEIN - Yes, it will be, depending on what the initiatives are and what we roll out under the plan.

Dr SEIDEL - Is there any particular reason no reference was made in this Budget, if we're working towards the 2026 plan?

Mr GUTWEIN - Look, what tends to happen with a range of plans in terms of the funding - in fact for a range of programs in the Budget - is that they are reviewed. When a plan runs for a period of time, it'll be reviewed, usually in the period leading up to it and about 18

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months out. That new plan after consultation will be considered by the government and then actions will be appropriately funded through the coming budget. That's exactly what's going to happen here.

Dr SEIDEL - I have two more questions.

CHAIR - You can go.

Dr SEIDEL - Thank you. Next was the Emissions Reduction Loan Scheme, which is \$1.3 million over four years to introduce a no interest loan scheme. What is the basis of your costings on that?

Mr GUTWEIN - Well, that'll be the interest cost reflected in the Budget. That will reflect the interest component to offset and provide the interest free loan. It is the line item on the Budget.

CHAIR - It's \$1.3 million over four years.

Dr SEIDEL - Yes, that's the one.

CHAIR - Yes.

Dr SEIDEL - That's page 228, thank you.

Mr GUTWEIN - Which is on the basis of a loan scheme with a constant interest offset

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CHAIR - So, Premier, I understand that it's the interest plus a small contribution towards staffing?

Dr SEIDEL - Okay, as well. That's for large greenhouse emitting businesses and industries. What other organisations are the highest carbon emitters in Tasmania?

Mr GUTWEIN - Look, in terms of target we haven't actually - I'm not talking about targeting any particular industry or naming anyone up here tonight -

Dr SEIDEL - You've had consultations with -

Mr GUTWEIN - I will establish the scheme and it'll be by application.

Dr SEIDEL - Have you had discussions with any particular industries with regard to the low interest scheme?

Mr GUTWEIN - I haven't at this stage. I'm not sure if anyone at the department has, but it's certainly been a program trialled elsewhere. This is an opportunity for industry to engage with government and take on an interest free loan with a view to making changes in their business.

CHAIR - No discussions through you, Premier, have taken place yet?

Dr SEIDEL - No discussions have been taken place yet. That is a modelled and based on other initiatives interstate.

Mr GUTWEIN - Around the world.

Dr SEIDEL - Okay, great. Can I ask you, since you have become the Minister for Climate Change, how many briefings have you had from climate scientists?

Mr GUTWEIN - There have been a couple. I can get you that information. I had a very engaging discussion with a number of climate scientists shortly after taking on the portfolio. Obviously, I met with Dr Fingal in recent times as well with those matters. I'm not sure if that answers your question, but there have been a number of meetings around this. As to specifically of meetings with climate scientists, that is yet to be done.

Dr SEIDEL - My final question is about the Greening Australia - Youth Climate Leaders Program, which I understand has been funded with \$50 000. Are you aware more funding was requested for this initiative?

MR GUTWEIN - I was. I think we funded the two programs about 50 per cent of what we invested was our starting point.

Dr SEIDEL - Was there any particular reason why we didn't fund it in full?

Ms GALE - It's a matter of just prioritising the amount of funding available. There's the notion of tax contribution from the people who had applied for the funding as well.

CHAIR - What about the electric vehicle plan? Do you have a time frame you would like to see. There's maybe some vehicles that can't be electric in the government fleet for various reasons, especially vehicles in the first steps of the process. But what's your time frame around this rollout?

Mr GUTWEIN - We set a 10-year target. In regard to the transition to electric vehicles, I'd like to be as aggressive as we can dependent on fit for the purpose. Within five years we will see a significant change in the availability of the technology, and hopefully there'll be a change in price as well and range.

CHAIR - And charging stations.

Mr GUTWEIN - At the moment, we have around 2500 vehicles in the government fleet. What we've been able to identify was that around 1600 to 1700 would be fit for purpose as it stands at the moment. We've obviously had to take into account the range of special purpose vehicles and technology advances. One of the things we decided to do - it's been trialled elsewhere - is in the use terms of our Metro bus fleet. We trialled both in the north and south in regard to either EV or hydrogen.

CHAIR - Going to be built in Wynyard?

Mr GUTWEIN - Well, in fact -

CHAIR - So the minister told me yesterday.

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Mr GUTWEIN - Well, in terms of those buses, I think the great thing is that they've all been built with a removable drive train.

CHAIR - That's what he said, yes.

Mr GUTWEIN - That sets the fleet up for a rapid change over once we've identified the appropriate technology.

CHAIR - So it's obviously ongoing work in that?

Mr GUTWEIN - There is. I'm not sure if you all have Metro, but I know that Tim Gardner, the chair, is very excited about the opportunity.

CHAIR - Estimates Committee B doesn't - we've got the energy ones.

Mr VALENTINE - Quite obviously hybrid still, you know, uses fossil fuel; I've had two and I'm getting a third.

CHAIR - Not all at once.

Mr VALENTINE - No, not all at once. Following each other, and they're great. But it would be better if they were all electric. With regard to the Climate Change State Action Act 2008, in the Report Card 2019 on page 26, at 6.1, Legislate for a target of zero net emissions by 2050, it quotes from a TCCO report

The TCCO has undertaken broad public consultation of the proposed Act amendments, including releasing a public discussion paper in October 2018 ...

That's some time ago. Are amendments coming forward with regard to that act? Can you give us an update on that or has that already happened and I've missed it?

Mr GUTWEIN - Well, a third review is commencing this year. The terms of reference for the act have been prepared; these include the areas of review required to be addressed under the legislation, including the extent to which the objects of the act are being achieved and the extent to which additional legislative measures are considered necessary to achieve the target set by the act.

Also, the terms of references for a number of other matters I consider relevant for review. A key matter and focus of the review will be to consult with industry to business sections and community on the options to revise Tasmania's emissions reduction target. We can be more ambitious than 2050. What I did announce early in the piece, though, is that we need to have a detailed analysis of what that pathway is and, importantly, I've asked Treasury to conduct some analysis of the impacts on industry and jobs in regard to an emissions target at earlier stages than 2050. It's one thing to have ambition, but it's another to know and understand exactly what that will mean.

Mr VALENTINE - Will you see this going into an act and actually being legislated so that it's got some real target - real grunt?

Mr GUTWEIN - Yes. I think setting a target - yes.

Mr VALENTINE - It's the last one of the situations for the first act. You know, it didn't really have any actions; it set up an advisory committee but that was abolished in 2014. Are you going to look at setting that back up again in your amendments?

Mr GUTWEIN - We're working through that review at the moment. I've a real appetite for this. Tasmania is very well placed in this. It's a shame that we haven't made more of the position we find ourselves in, you know, in four years where we've actually achieved zero net emissions, based on that 2050 target. We should be - well, we should've been shouting that from the rooftops, to be frank.

Now, in large part that's because we have a significant carbon sink. When you consider where we are placed both in this country and in the world, we have terrific opportunities and have a really strong program in establishing ourselves as a world leader in this. We're reviewing the act at the moment. We're looking at more ambitious targets. We'll have that advice and we'll be fully aware of what it means.

The other thing I'm very keen on as well is what we can do in regard to tourism and visitation. Costa Rica, for example, puts itself out as a zero net emitter and a negative carbon destination. I think this is the right way - it depends on how you speak about it - but our opportunity in that space is there to attract visitation in that similar way. I think, significant visitation with the footprint that we've got at the moment is - it's fantastic.

Mr VALENTINE - Exactly. I mean, we can be an exemplar as an island.

Mr GUTWEIN - We can.

Mr VALENTINE - Definitely attract people. If we could, we have to take really good actions in getting away from fossil fuel, not just mitigating by reducing our use.

Mr GUTWEIN - We've got to be sensible with this. Obviously the offsets we've got in terms of the carbon sink put us in a very strong position. But, importantly, what we have ensure we've got an appropriate pathway for our industries as they transition away from fossil fuel, and we have the benefit of being so far in front of any jurisdiction in terms of our current emissions profile to be able to take significant steps and to take our industries with us as well along the journey.

CHAIR - Is there potential to have a discussion with the hire car sector to try to encourage them to get into electric vehicles? That's going to be the carbon negative tourist destination. Tourists tend to drive around Tasmania more than use other transport.

Mr GUTWEIN - Well, look, there is. I met with a number of vehicle manufacturers to discuss the stock that they had. That was one point they made. I was very pleased when they did. In terms of our geographic spread and the location of our charging network, we're in front of the rest of the country, in their view. We have a network that's being built and the capability. In the vehicle hire market, there is a great opportunity. Mind you, they are in a different space at the moment.

CHAIR - Yes. Very tough times at the moment. They may need some incentivisation.

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Mr GUTWEIN - They are in a different space at the moment, so transitioning their fleets would be not at the front of mind, but I think we have an opportunity there. I think with our Metro bus fleet, we're in a prime position to look at what we can do.

CHAIR - Taxis.

Mr VALENTINE - But why not go a step further? We've a lot of manufacturing expertise here. You know, why not build them?

Mr GUTWEIN - Well, we currently do.

Mr VALENTINE - Why not build electric cars?

Mr GUTWEIN - Well, we currently - well, we build buses.

Mr VALENTINE - No, not buses - I'm talking about electric cars. I mean, wouldn't it be a great thing if we could put electric cars together?

Mr GUTWEIN - There are many states in Australia that have looked at car manufacturing and found that it's a much more difficult task than just wanting to do it. The focus of the Government will be to ensure we can look to transition the fleet that we've got. With regard to electric cars, we have to establish a good second-hand vehicle market here in Tasmania as a starting point, and that'll be one of the benefits of the transitioning of our own fleet as a starting point.

Mr VALENTINE - There is one already.

CHAIR - It's very small.

Mr VALENTINE - It's very small.

Mr GUTWEIN - It is very small.

Mr VALENTINE - Very small.

Mr GUTWEIN - Very small.

Mr VALENTINE - Very small. But we can encourage more.

CHAIR - You've got to get the prices down, too.

Mr VALENTINE - Yes, that's right.

CHAIR - Yes.

Mr GUTWEIN - What we'll find - within five years, I think we'll see a significant shift in the price point for vehicles. I've got no doubt in my mind about that.

CHAIR - So, Meg.

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Ms WEBB - Can I just backtrack slightly to the review being undertaken - the \$300 000, I think, allocated to it in the Budget in 2020. Who's going to undertake that review? It says 'independen't, so do we -

Ms GALE - It will be an independent review, but the reviewer hasn't been appointed yet.

Ms WEBB - Okay. Will there be a public comment or involvement part of that review process?

Mr GUTWEIN - Yes, absolutely.

Ms WEBB - What's the expectation in terms of a time line for when that review will be finalised?

Mr GUTWEIN - Middle of next year, and legislation in the spring session.

Ms WEBB - Sorry, can you repeat that?

Mr GUTWEIN - So mid-next year is the expected completion of the review and legislation, one would hope, in the spring session.

Ms WEBB - Okay. Thank you.

Mr VALENTINE - Have you been approached by the Climate Council, the group of scientists that call themselves the Climate Council? The original group that was set up - the advisory committee.

Mr GUTWEIN - Climate Tasmania and David Hamilton or not?

Mr VALENTINE - Yes. Climate Tasmania, that's it.

Mr GUTWEIN - Yes. Yes, I have. I've met with David Hamilton, and I think I also met with Jack -

Mr VALENTINE - Okay.

Mr GUTWEIN - In Launceston.

Mr VALENTINE - Well, that's good.

Mr GUTWEIN - So I've had discussions.

Mr VALENTINE - Certainly they have lots of ideas and they've done a lot of thinking.

Ms GALE - They also provide some input into the terms of reference for the review in Tasmania.

Mr VALENTINE - Good. Good.

Mr GUTWEIN - That's right. In fact, yes, they did.

CHAIR - It's coming back to you now.

Mr GUTWEIN - No, no. In fact, I'm just thinking because I recently caught up with David Hamilton. He's involved with that pellet plant at Scottsdale in regard to the old French pine he heads up at - but I met with him a couple times.

Mr VALENTINE - Thank you.

Ms WEBB - Given that climate change and action is now quite standard and normalised, the fact that we have a premier who's taken on that portfolio has brought that really into the centre of things.

The challenge in climate change is not just a science challenge. It's also a social justice and equity issue. How do you explain that climate change challenge? The context of climate change isn't mentioned in any of the 64 initial PESRAC recommendations, and doesn't seem to have fed into or been present in that initial stage of work?

In terms of our Tasmanian Climate Change Office, here's a quote from its Climate Action 21 - Report Card 2019, that its intention is -

Work with Tasmanian Government agencies to embed climate change consideration in strategic planning, purchasing and decision making.

The agency commentary on the page that quote came from states that -

The TCCO is working with Tasmanian Government agencies to identify approaches to embed climate change into government decision making. This was a key recommendation of the independent review of the *Climate Change (State Action) Act 2008*.

Can you clarify what the relationship will be in regard to the work now being undertaken by PESRAC which is looking at that medium-to-longer term; how will that sit alongside the work and the intent of embedding its intention the TCCO? Does TCCO have to go knocking on the door to PESRAC, or will PESRAC knock on their door? How is that going to coordinate?

Mr GUTWEIN - I guess to be clear - and it's a point I have made before- PESRAC is at arms-length from me. We have a group of very sensibly smart people from a range of industry sectors and backgrounds sitting around that table, and I'm not looking to attempt to influence them. In their consultation they will draw from the terms of the recommendations they make the second time around.

The first report obviously was based on short-term immediate actions in the main in regard to the 64 things we could pick up on immediately. I'd expect there would be an element of climate change. I'd be very surprised if there wasn't in its next set of recommendations. In terms of the Climate Change Office -

Ms WEBB - The office.

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Mr GUTWEIN - Its engagement with PESRAC, they haven't as yet. They made a submission. I am pleased that the Climate Change Office has had a number of engagements with state Treasury as well.

Ms WEBB - There wasn't participation in the workshops undertaken by PESRAC in this phase? It's a written submission.

Mr GUTWEIN - I haven't been involved. No, they've provided no written submission and they haven't been involved in workshops.

Ms WEBB - Thank you.

CHAIR - If you drop to Treasury, they're halfway there.

Mr GUTWEIN - They might be very, very supportive.

CHAIR - Let's hope so.

Ms GALE - The Climate Change Office works closely with agencies to try to identify ways in which climate change can be taken account of in their strategic planning and policies, so it's a very active office which works across agencies.

Ms WEBB - Yes. That's why I was keen to hear about the interactions with PESRAC, given that PESRAC isn't an agency as such and is at arms-length. Is clearly quite determinative of steps forward from here in response to COVID-19. I'm just keen to understand the intersection.

Mr GUTWEIN - They will make a set of recommendations, but we will consider those recommendations. We're not making a commitment to pick everything up. I need to reserve that right.

Ms WEBB - Absolutely. I support that approach, Premier.

Mr VALENTINE - It's important you reserve that right because you're the one that's accountable to the people. PESRAC is not.

CHAIR - Is there anything else on climate change?

Ms WEBB - Let me just have a quick look.

CHAIR - No?

Mr GUTWEIN - In terms of the youth climate leaders, we funded them 25 per cent of 50 000, not 50 per cent.

CHAIR - There being no other questions, thank you, Premier, for your contribution today for the whole day and to your team, and we will let you go.

The Committee adjourned at 6.44 p.m.