



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Hon. Michael Ferguson MP

Monday 23 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

The Committee met at 8.59 a.m.

DIVISION 4

Department of Finance-General

CHAIR - (Ms Forrest) - Thank you, minister and your team for appearing before Estimates. We have a fairly long day, as you know, with all your portfolio responsibilities.

I won't bother introducing you. I think you know everyone and I will ask you in a moment to introduce the other members of your team at the table, for the benefit of the *Hansard*. I will then invite you to make a brief introductory statement, if you wish to, in the area of the Minister for Finance. We will start with that.

We will try to stick closely to the identified schedules. We have a lot to get through, and we want to have time at the end for your other responsibilities.

Mr FERGUSON - Good morning, Chair and members of the Committee. Thank you for the time today.

I am pleased to introduce Tony Ferrall, Secretary of the Department of Treasury and Finance. To my left, Fiona Calvert, Deputy Secretary, Economic and Financial Policy Division. Also, to my left, James Craigie, Deputy Secretary, Budget and Finance Division.

I have some short opening comments. First of all, good morning. Of course, it is the case that this Budget has been trained up following most of the significant challenging, disruption and uncertainty since the World War II. As a government, we acted very quickly and decisively, using our island advantage to protect our community and save lives.

We followed advice and swiftly put into place restrictions on activities and movement to limit the spread of COVID-19 virus, followed by a sensible and responsible wide path to easing them. The Government acknowledges the support of the Legislative Council in achieving many of those outcomes.

Tasmanians and Tasmanian businesses have shown courage, resilience and ingenuity through these times. The challenge we face is both a health crisis and an economic crisis. We must continue to manage the risks to the health and safety of our community, as well as addressing the significant impacts on the state's economy.

There is still no proven vaccine at the present time, and for the present time we face heightened levels of uncertainty. It is against this backdrop the 2020-21 Budget is framed, and it calls for a proportionate and strategic response.

As the Premier said in his speech -

We can never tax our way to prosperity, nor can we cut our way to recovery. The way to rebuild a stronger and more resilient Tasmania is to invest heavily to support jobs, to regain confidence and to rebuild our economy and community.

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Some relevant components of the state's support package to date have included freezing, capping and waiving government fees and charges for businesses. We have waived payroll tax for the entire 2019-20 financial year for over 440 businesses in the hospitality, tourism and fishery sectors, and for other businesses with wages less than \$5 million. Waivers went on rent on government leases, and we provided millions of dollars in low interest loans and announced land tax relief for affected businesses for the 2020-21 year.

We believe these measures are working. Even in the face of this pandemic, Tasmania has once again ranked as one of the best-performing economies in the nation.

Our businesses continue to be some of the most confident in the country and we must continue to build on that. When these times are as tough as they are, businesses do look to government to provide the conditions and support for them to get on and do what they do best and that is, of course, employing Tasmanians, strengthening the economy, and creating opportunities for growth. As the Premier has said, the Budget unashamedly uses our balance sheet strength to support the state and bring us back to economic recovery.

We, of course, are focusing on jobs, building confidence and the whole community.

I now turn to you for questions.

CHAIR - We start with superannuation and pensions. If there are overview questions, Meg, do you want to go first?

Ms WEBB - This is in a broad sense. It relates to right to information requests to this agency, or this part of your portfolio responsibility. How many RTI requests were made in the 2019-20 financial year in this portfolio area? I would like a comparison of that figure from 2018-19.

Mr FERGUSON - I am supported by our agency officials and I will turn to meet with the secretary, to begin answering that question.

Mr FERRALL - I have figures for the 2019-20 year and also for the 2020-21 year to date.

Ms WEBB - Do you have figures for 2018-19 for comparison?

Mr FERRALL - I don't have those with me, but we can get those easily.

For the 2019-20 year, 19 RTIs were received for Treasury, five for the Treasurer. As you would understand, we also do RTI's for the Treasurer's office.

Ms WEBB - You might separate those for tomorrow.

Mr FERRALL - We have had 19, and five from the Treasurer and had none from the Minister for Finance in 2019-20. As at 2 November for 2020-21, we had five on Treasury, none on the Treasurer, and none on the Minister for Finance.

Ms WEBB - In terms of finance, that was none across the board for 2019-20.

Mr FERRALL - That is correct.

Ms WEBB - If you could get the 2018-19 figures for us, that would be great.

I have another series of questions, but given there were no relevant RTIs to this agency, I can keep those for Treasury tomorrow.

There is another overview of one if I might. I am interested in the allocation to the different departments, of the 64 Premier's Economic and Social Recovery Advisory Council - PESRAC - recommendations. In terms of Treasury and Finance, about nine are allocated to that department area. I am wondering, because we are talking about Finance here, whether you can point to any that are specifically within the remit of Finance within the Treasury and Finance scope and if they are going to be dealt with as we go through line items or if some may be dealt with within coming efforts in future budgets.

CHAIR - You are asking which ones are specific to Finance generally?

Ms WEBB - Which ones are specific to Finance.

Mr FERGUSON - Thank you for the question. Ms Webb. Of course the Government has agreed in principle to all the PESRAC recommendations. Some have been implemented already, tick; others are in progress, and others are being progressed in a way that will give continued focus what you have identified, and I think this too highlights which agencies are responsible.

Ms WEBB - Yes, I am looking at that table.

Mr FERGUSON - A number of them, in fact many of them, will have some levels to both but it does indicate who is responsible for the lead so I will pass to the secretary to indicate the Finance allocation.

Mr FERRALL - Those recommendations are dealt with under the Finance portfolio so PESRAC recommendation 10 -

Government agencies should seek the agreement of existing major contractors to agree on 14-day terms with their Tasmanian suppliers.

The current status of that is underway. We are implementing steps including to all heads of agency encouraging major contractors to support Tasmanian subcontractors and we are also looking at formal variations to existing Crown contracts. Again we need to be cognisant of dealing with variations to the contracts and we are talking to the Office of the Crown Solicitor and contractors in regard to how that might be dealt with.

Recommendation 11 is also in the Finance portfolio so -

Thee State Government should amend its standard contracting framework to require contractors to trade on 14-day terms with their Tasmanian suppliers.

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Again we are working with the Office of the Crown Solicitor to identify enforceable changes to the standard Crown contract terms.

Recommendation 13 is -

Contracts should provide flexibility in the nature of service delivery, reflecting new models developed during COVID-19.

That recommendation is implemented so the existing framework provided for the flexibility contained in the recommendation. There is no impediment for agencies to immediately implement in their current grant arrangements.

Recommendation 18 -

The State Government should require agencies to purchase from Tasmanian business on an 'if not, why not' basis for at least the next two years.

That was implemented that recommendation has been introduced with the recent expansion of the Government's buy local policy.

Recommendation 19 -

The State Government should include in its standard government contracting framework a requirement that government contractors use local suppliers on a similar 'if not why not' basis.

The expanded buy local policy allows evaluation of the social and economical benefits of a contractor support for Tasmanian suppliers. We are assessing tender responses but we are also seeking advice as to whether there are legal constraints preventing further implementation of the recommendation.

Recommendation 20 -

Government businesses should be subject to as strong buying local requirements as government agencies.

That is being implemented so the government businesses are required to comply with the buy local TI and guidelines for government businesses.

Recommendation 45 -

The State Government should extend the payroll tax rebate schemes for youth employees, and for apprentices and trainees.

The [Payroll Tax Rebate \(Apprentices, Trainees and Youth Employees\) Amendment Bill 2020](#) - well, it has been introduced already.

Mr FERGUSON - It is now with the Legislative Council

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Mr FERRALL - The amending legislation and regulations will extend the scheme for apprentices and trainees in all industries.

Ms WEBB - Will you highlight with that is relevant to a line item as we go through?

CHAIR -It will be under 3.1

Ms WEBB - Yes, I am just making sure it is explicit that we discuss where they appear in line items as we go through.

Mr FERRALL - That is the last recommendation that the Finance is the lead agency for.

Ms WEBB - Fifty-two.

Mr FERRALL - Fifty-two is the Treasurer.

Ms WEBB - Okay, that is fine. Thank you. It would be great to have all that in a table. We could just look at it easily without having to go through the table.

Output Group 2 Employee Related Costs

2.1 Superannuation and Pensions -

CHAIR - Any other overview questions before we get into the line items? It is better having them attached to a line item if we can.

Mr VALENTINE - The dark art of managing superannuation.

Last year when I questioned why this line item is static, Mr Geoffrey informed me it was based on projections provided by the actuary and that the actuary was predicting limited change. So I can fully understand how this all works, what is actually done that is generating this service cost and by whom? Finance-General doesn't have any employees so is it a payment that goes back to each department as a reimbursement for the part they play or what else could it be?

Mr FERRALL - If I understand the question correctly, and if I have missed it, let me know -

Mr VALENTINE - It is only a simple question, I can tell you. It is not complex.

Mr FERRALL - Unfortunately, the way superannuation is accounted for is complex.

Mr VALENTINE - I'm sure that is. I'm not having a go at you. I'm saying I simply want to understand what the costs are made up of.

Mr FERRALL - The unfunded liability is an estimate in respect of the accrued past service and the expected future service benefit, and that is for both current and former members

of the DB scheme. The emerging cash cost, which basically is the current pension cost and the lump sum payments to retiring public servants, is met directly from the public account as we have been through a number of years. That cash cost is going to increase significantly in coming years.

That current estimate is that it increases to about \$475 million by 2034-35 and you would know from every year as we get actuarial updates that gets moved because of the components that the actuary uses to effectively come up with that valuation, so it is driven by things like wages, discount rate, earnings, assumptions around whether people retire early, whether they take lump sums or take pensions et cetera, so that moves those numbers across the years. The biggest component that has caused the movements between, say, the current figures and last year has been the changes in the discount rates used.

Mr VALENTINE - It has gone down to one.

Mr FERRALL - For the 2020-21 Budget a discount rate of 1 per cent is used. That discount reflects the 10-year bond rate, which was 0.93 per cent as at 19 August, rounded to the nearest half a percent. In terms of the actuary's projections, again the most recent actuarial estimates that we used were a discount rate of 1 per cent, a salary increase rate of 3 per cent, a pensioner increase rate of 2.25 per cent, and an investment earning of 1.6 per cent in 2020-21 and 1 per cent in 2021-22. Because of that investment earning rate, which also creates the discount rate, you see that quite significant change in the figure and effectively if you are moving from, say, a 1.6 per cent discount rate to a 1 per cent, you are almost changing it by 30 per cent so it is small numbers and small movements, but the small movements are quite large relevant to the base number. That's why you are seeing quite significant moves over the period of time because of that discount rate.

Mr VALENTINE - That's very fascinating but my question was only on the \$350 000 sitting in this line item.

CHAIR -The appropriation. So is your question - what is the \$350 000 used for?

Mr VALENTINE - No. It talks about it having a service cost in it and nominal interest. What is that service cost made up of on this line item? I will come to what you were just talking about in a minute, but I simply want to know what that \$350 000. What services are being provided for that and by whom? From my perspective, I just do not know the system and -

Mr CRAIGIE - Is that the \$350 million one?

Mr VALENTINE - No. It is 2.1, Superannuation and pensions, and it has thousands above it so it is \$350 000.

CHAIR - Yes, at the bottom of page 108.

Mr VALENTINE - Under Output group 2, Employee Related Costs.

CHAIR - It is the appropriation under line item 2.1. Next year we will need a footnote if you would not mind.

Mr CRAIGIE - I suspect that would be the case, but I am not sure.

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Mr VALENTINE - Is it the cost of the actuary?

CHAIR - Finance-General, page 108, revenue from appropriation by output, right at the bottom of the page.

Mr VALENTINE - Table 4.4, right down the bottom.

Mr CRAIGIE - It is predominantly the cost of the actuary.

Mr VALENTINE - So, that \$350 000 is the cost of the actuary, but then it talks also about nominal interest cost so where is the makeup there? Where is that coming from? I am happy to take it on notice, if you cannot.

Mr FERGUSON - Thank you for the question. We were in the Treasury and Finance chapter, you have been in Finance-General chapter, and so my secretary has advised me we might need to take that on notice from the point of view of answering the question about the line item you have identified.

Mr VALENTINE - No, it is not a problem.

CHAIR - We are in the Minister for Finance.

Mr CRAIGIE - Yes, correct.

CHAIR - Right, yes.

Mr FERGUSON - Yes, but the same output is related in two chapters.

Mr CRAIGIE - I might be able to clarify, minister. The line item of \$350 000 is predominantly the superannuation cost for those consultancy costs.

Mr VALENTINE - Okay.

Mr CRAIGIE - The external actuary - the note you are referring to on nominal interest cost refers to a different output. I am not sure. It is the outputs -

Mr VALENTINE - It is just the descriptive that is in there for this line item - it talks about it being the service cost and nominal interest.

CHAIR - Can I perhaps shed a bit of light? I think the note refers to the expense summary rather than the revenue for appropriation. The nominal interest is in Budget Paper No. 1 - that is where the detail in that is. If you go to Budget Paper No. 1, you will find some commentary around that; that is, page 47, Budget Paper No. 1.

Mr VALENTINE - It does not say who is holding it or what is generating the interest. That is what I was interested in.

CHAIR - All right.

Mr VALENTINE - I will take it on notice. That is fine.

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Mr FERGUSON - Not only will we take it on notice, we will have the answer for you, I am sure, during our session this morning.

Mr VALENTINE - Sorry, my opening remarks were not any reflection on any of you across the table; it is just I wanted to understand fully exactly how this works. It was a simple question. It was stated last year that the trust displacing the forecasting of the actuary but in a related set of figures, which I am assuming might be used to generate this line item in the number of employees involved et cetera. When you look at page 137 of Budget Paper 1 - expenses for transactions, superannuation - and compare that line item - so we are looking there at page 137, Budget Paper 1, Government Financial Estimates less expenses from transactions - you have superannuation there. It starts with 2019-20 as \$305.1 million, and works across the Estimates. When you compare that line item with previous budget papers over the last three budgets, it shows that the actuarial estimate is 37 per cent more than what was predicted back in, say, 2018-19.

Does that cause an issue or a problem for you, when you are underestimating what the future values are likely to be? It is a significant difference. It is one-third.

Mr FERRALL - It does not actually cause us concern, because it does not mean that the cash outlays have changed. This, again, is that actuarial valuation. It is the point I made earlier.

Mr VALENTINE - That it is steadier.

Mr FERRALL - The point I made earlier is that you do get significant variations in the valuation, which is driven by the discount rate. But the actual emerging cash cost does not vary significantly, because of the nature of the assumptions underpinning the emerging cash cost.

Mr VALENTINE - Is the actuary consultant - that is where the dollars are coming from there?

Mr FERRALL - Just for your benefit, the Auditor-General also looks at the actuarial assessment as well. That was looked at this year.

Mr CRAIGIE - For 2019-20 template.

CHAIR - Can I perhaps jump in with a question, while you are thinking about the next one? Do you have a break-up of the Output Group 2.1 into the current service costs and the normal super interest in the Budget forward Estimates, and the corresponding employer contribution - just the general government for each of the next four years? Do you have those figures? It would be helpful to see the two different components.

Mr CRAIGIE - There are four components to output 2.1, Superannuation and pensions. For the budget year 2020-21, the service cost is approximately \$142.5 million, and the nominal superannuation cost is \$161.6 million. Then there is the \$350 000 super fees line that we just had the question on, so that totals \$304.5 million.

CHAIR - Do you have the Estimates for the next four years?

Mr CRAIGIE - Yes, I do. The service costs for 2020-21, as I just read out, were \$142.5 million. The 2021-22 forward Estimate is \$149.9 million; the 2022-23 forward Estimate is \$136 million; and for 2023-24 is \$122.7 million. Nominal super going across the same four years: \$161.6 million, \$94.2 million, \$94.4 million and \$94.6 million. The fees are \$350 000 across the four years as well.

CHAIR - Okay.

Mr VALENTINE - Appropriation for 2020-21 in last year's budget papers is going from \$302.6 million, down to \$299.3 million in this year's Budget Papers, but the expenses have risen from \$303.3 million in last year's budget papers to \$373.8 million in this year's Budget Papers. That is a \$70 million difference.

Why has appropriation gone down and expenses gone up?

MR FERRALL - Appropriation is cash, and the expenses include the accruals effectively so again it is that valuation issue that drives the difference.

The appropriation is very close to purely cash. It is effectively cash, and that is what I was saying earlier - the cash outlays associated with the defined benefits scheme are relatively stable. They are growing over time. According to the little hump diagram we put in the Budget Papers, the valuations change with those actuarial assumptions and they are very much driven by the long-term bond rate, which becomes the discount rate. Particularly in recent years that has been highly variable and as we get closer to one or a very small number, small changes are quite significant in respect of the actual number. If you are at one and a half and you move to one, you have only moved by half a percent but you have effectively made a change of 30 per cent in the discount rate.

Mr VALENTINE - It is understood that the Government is proposing to use up to 10 per cent of the funds held by the Superannuation Commission, which is held in trust for the scheme's members. Is it being used for the COVID-19 recovery, is that correct?

Mr FERGUSON - It certainly is the policy intention and that is what the Premier has outlined, and that works out to a potential of \$200 million-worth of opportunities to find the fund to be invested in projects that will build employment and build assets for future generations. That is a work in progress and I will certainly ask the secretary to add to that in a moment, but it is also important to highlight that it doesn't have any bearing on the defined benefit outcomes for retired public servants.

Mr VALENTINE - There is no impact as far as you are concerned?

Mr FERGUSON - There can't be because it is a defined benefit. Of course, there is still a prudent exercise in how that is achieved and it is a work in progress. I will ask the secretary to add to it.

Mr FERRALL - The minister is correct. The members' entitlements won't be altered or varied because of this at all. They will maintain all their entitlements. You would be aware that the vast majority -

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Mr VALENTINE - I should declare that I am actually in that scheme, but I wasn't asking for that reason.

Mr FERGUSON - That's okay because you don't stand to benefit or lose from that.

Mr VALENTINE - That's all right but I am being up-front here.

Mr FERRALL - We have been asked by the Premier to consider other options in terms of the investment so we have provided some initial advice from Treasury and we are doing some further work now in regard to a number of specific areas such as community housing or special disability accommodation models. Our focus has been to ensure that we find the most succinct possible options that will provide a dividend or a return to the fund which will keep the cost to the state as it currently is going forward, not reduce it significantly, but we have been looking at whether there are social or other options for investing part of that fund which might provide a broader community dividend.

Mr VALENTINE - I think that that will be it.

Mr FERGUSON - I will add to the secretary's answer. While the Treasurer has asked the department to do that work, before taking further steps in this area we will be consulting with industries and experts on how that may be pragmatically rolled out.

CHAIR - Just a couple of points with regard to this matter. Some of us are referring to Budget Paper No. 1 in terms of the superannuation liability. There is obviously a point - and I look at page 130 of Budget Paper No. 1, which describes the undiscounted defined benefit obligations payable to employees of the general government sector.

Mr FERRALL - I am just drowning in paper here.

CHAIR - I note the total for defined benefit payments to members is expected to be \$435.7 million for 2020-21, but employee contributions are much less if you look in the taper, but the point is the plan assets seem to be running down at a pretty fast rate when you look at Table 7.7 on the next page in Budget Paper No. 1. The question is: does the negative return on plan assets in 2020-21 mean that general government may have to increase its contributions in the near future?

Mr FERRALL - Not unless those negative returns continued for a long period of time.

CHAIR - What is a long period in that circumstance?

Mr FERRALL - Effectively the plan assets are invested in a range of investments and the investment strategy, like most investment strategies, makes an allowance affectively for there to be a potential negative return periodically so when you think of long-term investment, your long-term investment return might be, say, 6 per cent as an example but that 6 per cent is in the long run and when you structure your investment portfolio it is usually predicated on there might be a one-in-five or one-in-four or one-in-six year negative return. To the extent that there is a negative return in 2020-21, it really depends on how those returns go into the future as to whether that is going to be a significant impact.

CHAIR -I would have thought in the current world economic position, it is unlikely to improve in the short term?

Mr FERRALL - It depends on what your investment portfolio structure is.

CHAIR -You are confident you are not going to have to increase the general government contributions in the near future?

Mr FERRALL - Certainly not in the near future, but ultimately there is no guarantee on these things.

CHAIR -No.

Mr FERRALL - The portfolio has been well-structured; it has produced good returns over a long period of time and, yes, in the most recent environment like most investment portfolios, there has been a negative impact but that does not necessarily mean that in the long-term or the long-run, return is going to be adversely impacted.

CHAIR - It will be interesting to keep watch on the next few years and see how it recovers.

Output Group 4 Miscellaneous

4.1 Information and Communication Technology -

CHAIR - Minister it is a little bit hard to understand the information technology - IT - policy throughout the public service. Does every department do the same thing? We have had the discussion in another committee where we talked a little bit about this. Are there any whole-of-government approaches to IT across the whole of government in terms of rather than having Health going and doing its thing, Tasmania Police going and doing its thing, State Growth doing its thing. In terms of a capacity to build-up skills within government rather than having buy skills in particular, is anything currently happening, or is it basically each department for themselves?

Mr FERGUSON - Thanks, Chair. Like so many different functions of different agencies, ultimately the agencies separately are responsible for managing their IT services and making sure they have the capability either in-house or that has been outsourced according to the skills mix needed for a particular solution. We are increasingly making decisions about the nature of what is expected at each department level, and we have been doing that increasingly over the last six years.

As a result of a lot of work across government and in consultation with Tas ICT, that I might be able to speak more about in our science and technology session, this year we presented a stronger view about the whole-of-government provision for IT service standards and the ways in which we move increasingly to service-style platform - for example software as a service, which is genuine innovation for government. The Our Digital Future document sets out what our digital vision should be, and the next steps in that will be a technology roadmap that has a greater ability for whole-of-government decisions to be made. As a quick insight, only two

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weeks ago we signed up to a whole-of-government software service provider, TechnologyOne, for finance right across government, which is an early sign that policy is being implemented.

CHAIR - I will be referring to that in Science and Technology portfolio. In terms of this under finance general, I notice the actuals for last year were only \$13 700. It is a shame they are not actually in the Budget Papers since we have them all. It would have been good to have them, but, anyway, one can always go to the annual report - it was only \$13 700 000 whereas this year the budget was 25 - sorry, for that last year. I am interested in why there was a such a low, underbudget spend from last year.

Mr CRAIGIE - The expenditure variations probably are most predominantly due to the timing of expenditure on the Tasmanian Government Radio Network - TasGRN.

CHAIR - It all fits under here?

Mr CRAIGIE - That provision for it has had in it for a long period of time a funding to assist agencies with the TasGRN Project.

CHAIR - There was a budget of \$25 500 000; last year a bit over \$13 500 000 was spent so are we spending less on whole-of-government radio network? Is it actually working yet?

Mr FERGUSON - It is some way off yet.

CHAIR - Yes, exactly.

Mr CRAIGIE - There is significant expenditure going on to procure the replacement network.

CHAIR - So you are saying that was deferred? It was not spent in this last year and now we are going to, hopefully, spend and get it going? In my living memory, it has been going on forever.

Mr CRAIGIE - It is a big item.

CHAIR - I know it is a big item, yes. That is the reason that was pushed out?

Mr CRAIGIE - The budget of 25.5 - 25 of that was for TasGRN and the actual for TasGRN was 13.2.

CHAIR - Right.

Mr CRAIGIE - It is predominantly to do with changing cashflow estimates for that project.

CHAIR - All right.

Mr VALENTINE - I am interested in drawing attention to the Auditor-General's report where he says -

Despite the implementation of a digital governance and decision making framework, there was insufficient guidance to support whole-of-government ICT planning and prioritisation. Opportunities to develop shared ICT services, products or develop a whole-of-government ICT vision -

Which is what you were talking about -

- improving the efficiency and effectiveness of ICT delivery had not been realised.

He goes on to say -

... the lack of a whole-of-government ICT vision and plan meant ICT planning was siloed within agencies and was variable, with differing levels of capability -

Et cetera, et cetera. It is quite a significant comment on our state at the moment and there was even comment on the age of our computing infrastructure and the like. What is actually in your thinking in terms of addressing that significantly? Because it is a real risk, there is no question about that - agencies having inadequate - well, unsupported - equipment, which is the worst part.

Mr FERGUSON - Legacy technology.

Mr VALENTINE - It is legacy. Obviously, you have only seen this for a few days too, but do you have any preliminary thinking about how you are going to address that?

Mr FERGUSON - Yes, I can give a high-level answer now, and I would invite the question again when we come to the science and technology section because I will actually be supportive of that estimate -

Mr VALENTINE - They sort of overlap a bit.

Mr FERGUSON - by Department of Premier of Cabinet which runs the whole-of-government ICT policy framework, but I can certainly speak to it now in some useful way.

Mr VALENTINE - Yes.

Mr FERGUSON - We do not reject what the Auditor-General has been saying outright, but we believe differences of opinion have been expressed. Certainly I invite you to look at the report where the Auditor-General himself fairly provides an opportunity for the Secretary of DPAT, Jenny Gale, to provide a response. Her response, I think, on behalf of all of the other secretaries is a different way of looking at the same set of issues and challenges.

To a certain degree, the issue has been one of confusing terms, for example, the A-G talks about the need for an ICT vision. We are all for that.

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In Our Digital Future, we made the very clear point, which is the point we have now reached, that we need to know to do this work. This is only we didn't call it the 'IC division', we call it the technology roadmap. We do have a digital vision. It is whole-of-government. It is also whole-of-community, and the business sector.

There is definitely a long way to go in terms of the kind of digital maturity that really will allow the public service to be doing its best possible work, particularly about moving policy decisions and the way we support the community away from the siloed approach of agencies.

For example, the obvious ones, health and education, where there are so many overlaps for the need to have services where public servants are able to support a family that uses the health system and is part of education.

We are definitely making progress and the Auditor General's report certainly, it would be fair to say, tested how the public service responded and wanted to do so without bringing conflict into it. We take it as constructive criticism and certainly have a different perspective on some of the claims and findings of the agency.

CHAIR - We might come back to that, in another portfolio. We will keep moving on this one for now.

Mr VALENTINE - On page 7 of Budget Paper No. 1, what projects are included under the listed infrastructure there? For example, 'ICT to support service delivery' is \$135.4 million. What projects are included?

Mr FERGUSON - Again, I would be better equipped to discuss that in the other output, but I can absolutely - I don't want to reject the question - indicate -

CHAIR - No. There is a capital investment program under that. It is much more suited there. We will come back to that one.

Mr FERGUSON - If I may just, very briefly, say there are indicated projects in Health. There is indicated projects in Police, Fire, and Emergency Management, and, of course, the investment we are making into cybersecurity.

Ms LOVELL - Minister, can you share with the committee what percentage of the departmental budget is spent on IT, and what percentage of the IT budget is spent on cybersecurity?

Mr FERGUSON - I think we could have a go at answering that by taking it on notice, Ms Lovell.

I discussed this at another committee, which was public, so I can talk about it. It is extremely challenging in a context where some commentators want to attempt to compare jurisdictions. We have found it has been a very arduous task and largely unfruitful, because it is hard to see what even our own jurisdiction would count as being part of our ICT spending as opposed to general agency spending. We have discussed this before, and we do find it challenging to present a reliable and robust figure on these matters.

Mr FERRALL - We can generally provide our direct costs associated with those things, but as soon as you start to move into indirect costs, you have to use some form of attribution or approach to applying some those indirect costs. If you at something like cybersecurity, you could have a direct cost of a particular piece of software, which might be used to protect us in that circumstance, but then you have to start to go through what are the indirect costs that might be incurred by the agency in putting that particular software into action.

It could be part of the ICT policy, or an ICT technician who puts it on the system. It could be part of the supervisor's time, who supervises the individual. It becomes almost impossible to come up with a compliable figure, particularly if you are trying to make a comparison across jurisdictions or even across agencies, because you have to start from a very clear and equivalent set of assumptions in terms of building those costs. Otherwise you will end up with numbers that are not comprisable.

Ms LOVELL - I'm happy for you to take that question on notice and for it to be answered with that context and looking at direct costs. I imagine other jurisdictions will have the same challenges with that.

Mr FERGUSON - They do actually, Ms Lovell, and I can say we will be as transparent as we can be, but I believe I am correct in saying that we don't code agencies costs in a ICT category.

Mr FERRALL - No, not directly.

Mr FERGUSON - Down to the nth degree.

Mr FERRALL - If you look at ICT within Treasury, we generally treat that as an overhead, so it ends up being coded across a number of outputs for us. As I said, there is a direct component. I can tell you the direct costs of the individuals who work in our ICT area, and we can tell you the particular technologies and equipment we have paid for directly, but as soon as you start to go down the next level, which is how much of the building outgoings are attributed to ICT as opposed to something else -

Ms LOVELL - Direct costs.

Mr FERGUSON - Let us agree to take that on notice, on the basis that we will provide as much transparency as we can on those direct costs, which are more or less measurable. We are aware that other claims are made about other jurisdictions. We have asked and have been unable to be assured about what sort of uniform or agreed way of calculating that would be, because I do not think there is one.

Mr VALENTINE - Obviously the bulk of this particular line item is with TasGRN and Project Unify. I think Project Unify has \$8.2 million set aside for it. Is that likely to be fully spent this year? Can you tell me what aspects of Project Unify were actually developed this year?

Mr FERGUSON - Thanks, Mr Valentine. I might invite you to discuss that with the minister, Mr Shelton. His agency is responsible for addressing that project. However, it has been funded in the way you have identified.

Mr VALENTINE - Okay, that is fine.

CHAIR - We will move on, if there are no other questions on that.

Output Group 4

Miscellaneous

4.7 Property Management Services -

Ms LOVELL - Minister, can you inform us how many assets have been sold in this past year, and for what value?

Mr FERGUSON - The advice I have is that Treasury administers the major sales program covering non-strategic surplus government property and the sale of government office buildings. I can inform you all sales are undertaken in accordance with the Crown Lands Act 1976 and the Department of Primary Industries, Parks, Water and Environment - DPIPW - is responsible for minor Crown land sales.

To answer the question directly, from 1 July 2019 to 30 June 2020, Treasury sold eight properties at a combined value of \$33.457 million. This includes the Elizabeth Street Pier, and the former Kingston High School, which was sold in January 2014 to Kingborough Council; however, I am advised settlement had been delayed due to subdivision requirements.

Treasury is currently preparing three non-strategic surplus properties for disposal, with an aggregate market value of approximately \$1.8 million. There is currently one property being marketed for sale, and one property is under contract awaiting settlement.

During the COVID-19 shutdown period, Treasury paused the property sales program, with sales activities recommencing in July this year.

The pre-eminent asset within that is obviously Elizabeth Street Pier. The sale price, received through a public tender, was \$30.1 million.

Ms LOVELL - You did touch on this, but I thought you might have more to add. How many assets are planned to be sold in the coming year, and what is their revenue expected to be?

Mr FERGUSON - The advice I have is the expected revenue is \$1.8 million. Are you looking for some more detail than that?

Ms LOVELL - I think you mentioned three properties were currently being - is that the number that is expected?

Mr FERGUSON - Yes, it is three, at \$1.8 million. The three properties are - you might need Google Maps for this one - 35 Grubb Street, Beaconsfield, a former DPFEM residence; 65A Amy Road, Newstead, the former Northern Support School; and 1 Harvey Street, Strahan, again a former DPFEM residence.

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On the market, the three I have already provided are being assembled or investigated for sale in 2021. However, for completeness, I should indicate that a property being actively marketed for sale on the open market now is Lot 1, Scotts Road, Mole Creek.

Ms LOVELL - I'm not sure if this fits within this line, or whether you would prefer this to be dealt with by the Treasurer. Are you able to comment on the status of the sale of the Treasury Building?

Mr FERGUSON - Yes, I can. It falls within my role with Treasury and Finance. We did announce in the 2018-19 state budget the intention to seek proposals through an EOI process for the divestment of Treasury buildings, either through a long-term lease or freehold. A three-stage divestment process was commenced, and included public consultation, due diligence and public open process.

I announced in May that the divestment process had been deferred to allow the Tasmanian Government to focus on its response to the COVID-19 pandemic. I can assure the committee all submissions received to date would remain confidential and will not be evaluated.

CHAIR - Until?

Mr FERGUSON - Will not be evaluated for now. We do not have anything to announce in terms of future intentions. We have simply stopped the process. We don't intend, for the time being, to proceed with it.

CHAIR - Mr Ferrall's office is safe?

Mr FERGUSON - It could be said - not that it was the issue.

Mr VALENTINE - Will any upgrading of the building be done for employees who are there at the moment?

Mr FERRALL - We are doing works. Over the last couple of years we put a range of works on hold. With things like air conditioning, we moved to a 'fix on fail' regime. Now we have recommenced upgrading some of those works around that. For other broader works, we are doing quite a lot of stoneworks on the building, so in recent times you would have seen Heritage Stone has recommenced some of the maintenance of the stoneworks for the building.

Ms LOVELL - Minister, is it still the intention of the Government to proceed with that?

Mr FERGUSON - No, not at this time.

Ms LOVELL - How much of the allocation in this line item is allocated to building maintenance?

CHAIR - Particularly with the decline in appropriation over the forward Estimates.

Mr FERRALL - There are a range of components of Output Group 4.7 - Property Management Services. In 2020-21, it includes items such as depreciation on whole-of-government accommodation leases of \$29.9 million. It includes property maintenance

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expenses of \$9.4 million; that was \$7.4 million in 2019-20. It also includes whole-of-government office accommodation expenditure of \$8.3 million.

Ms LOVELL - How much was that, sorry?

Mr FERRALL - It was \$8.3 million for whole-of-government office accommodation expenses; interest on leases of \$4.8 million, depreciation of government-owned buildings \$3.7 million; rate charges of \$187 000; and electricity charges of \$169 000. There is a range of components of that particular expenditure.

CHAIR - I have a follow-up question. The appropriation for 2020-21 is only \$11.6 million; however, what you have given us adds up to more than that. I am just not sure how it is all funded.

Mr FERRALL - Some of it is non-cash - depreciation as an example. One is the output group as opposed to the appropriation, so other sources of funding as well go towards it other than just appropriation.

CHAIR - I have another question on this. I understand this covers the whole-of-government leases that also have to be depreciated under the accounting standard that was changed a couple of years ago. During COVID-19 we have seen people working from home and people changing the way they generally work. Is the Government looking at the need for physical accommodation in terms of office space? Are you reviewing that, minister, under this area? I know some people need to be in the place and can't always work remotely but I would have thought it is an opportunity.

Mr FERGUSON - It is, and I definitely embrace the question. The necessity to work from home accelerated a lot of digital maturity right across government and a number of government businesses as well as statutory authorities. I refer you to the Premier's Review of the Tasmanian State Service, which is looking at the different types of flexible arrangements that suit the business needs of the agency. In the future, consideration would definitely be given to government leases and making sure that we provide facilities that continue to be fit for purpose - including in an area where there might be more availability to work from home, for example.

CHAIR - And consolidate the current areas?

Mr FERGUSON - Potentially. That is what we have been doing up until now. I will ask the secretary to briefly respond to that point, but consolidation has been the name of the game for some years now.

MR FERRALL - I can comment on the whole-of-government approach that we have taken in the Hobart CBD and Launceston CBD, where we have been consolidating over a period of years in terms of reducing our leased accommodation. In terms of the question of working from home, it is probably more appropriate that I comment on Treasury than across other agencies. We have had a flexible work approach for many years. We have had a large component of our workforce work from home for a period of time, or worked flexibly in terms of their hours, if they worked part-time or some other arrangements. During COVID-19 we all needed to work from home for a period of time, and since then we have pretty well returned to our office-based arrangement. However, there is still - and will continue to be - a large number

of individuals who will work flexibly, working both from home and from the office environment. I think we are unlikely to have any future circumstances where people only work from home; it is more likely we will always have some form of combined arrangement.

CHAIR - Is there anymore for you on that line item?

Output Group 4
Miscellaneous

4.8 Infrastructure Investment Project Planning.

CHAIR - Minister, last year the actual spend on this was only \$317 thousand although the budget was \$2 million. I am interested in what the timing issue was here. Also, the member for Hobart referred to the Auditor-General's recent report, recommendation No. 6, that Treasury revisit the feedback approach to the Structured Infrastructure Investment Review Process - SIIRP - submissions, to better inform agencies on areas of improvement for future submissions. Could you address both of those matters in your response?

Mr FERGUSON - Definitely. I will pass to the secretary again. The SIIRP process is vital for making investment decisions as a government on our capital infrastructure program and we take on board the feedback from the Auditor-General.

Mr FERRALL - The SIIRP program operates effectively as a bids process for agencies, Treasury calls for bids. The variation really reflects whether agencies have put forward bids. Some of the Auditor-General's commentary related to indirect feedback he had obtained from some agencies that they were seeking more information about some of these proposals which we -

CHAIR - And they have not been successful, you mean?

Mr FERRALL - Yes, I think it was the case that he indicated they sought more information and feedback when they had not been successful. We will definitely take that onboard in terms of providing feedback to agencies, but that was not something that had been raised by agencies with us at all. We have a pretty good relationship with agencies in relation to SIIRP. It is a flexible process, allowing agencies to put forward propositions to develop a capital project at the early stages.

It tends to work better for some of the smaller agencies. A larger agency tends to have greater financial flexibility or capability to maybe do some of that preliminary work for a large capital expenditure, but a small agency do not necessarily have that capacity, and so it works well for those small agencies.

CHAIR - The underspend to budget, what was the reason for that?

Mr FERRALL - It will partly be due to timing. It could be a bid that an agency had that it did not expend in that particular year, but it ultimately reflects the demand from agencies for SIIRP bids so we do not try to spend -

CHAIR - Do you have a number of bids that have come in during the last financial year?

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Mr CRAIGIE - There has been an increased incidence of government directly funding IT projects, negating the need for agencies to go through SIIRP.

CHAIR - So that could contribute? Is that what you are saying?

Mr CRAIGIE - That could contribute to the underspend.

Ms WEBB - All right. How would we know that? Where is that quantified?

Mr CRAIGIE - You can see where the underspend is but you can also look at the earlier question about the allocation to ICT investment, and there has been significant new money allocated to ICT investment.

Ms WEBB - You can't draw a line for us in terms of a specific amount that was spent in that other way and, therefore, comes in under - in this one?

Mr CRAIGIE - No.

CHAIR - So we are not just talking about IT infrastructure though? We are talking about all the structure? It is only the IT infrastructure that is being directly funded and that agencies have to put in the SIIRP, is that right?

Mr CRAIGIE - That is correct.

CHAIR - Are the other infrastructure projects all on track, or are we simply seeing not so many happen at the moment, or what? We talk about this massive big infrastructure spend every year. We are promised it every year, and every year we don't spend it. This predates this Government. I understand this is a process designed to actually get those up and going - and we are not spending the money. It is not just IT; it is the other infrastructure as well, isn't it, minister?

Mr FERGUSON - I hear where you are coming from and I will ask the secretary to round it out, but the issue here is that this is resourcing for the SIIRP process.

CHAIR - Yes.

Mr FERGUSON - And you will note that there is also a budget process that government uses to bring forward projects, and that has occurred. I would account for the underspend in relation to project planning within the SIIRP process with that answer.

Mr FERRALL - As the minister said, there is a range of options for agencies in relation to advancing a particular capital project. They can put in a bid to SIIRP which we would consider and make an appropriate recommendation to the Treasury to fund if that was a sensible thing to do. They can utilise their own capacity within their own budget, which many agencies do. But also, through the budget process, capital projects are quite often advanced through the budget, in which case an agency would not necessarily go through SIIRP. This is not the only funding for project planning that occurs.

CHAIR - No, I accept that.

Mr FERRALL - This is really providing an additional capacity on top of what is within agencies or what might be through the ordinary budget process. The minister would be able to comment in more detail in terms the roads program, as an example, or the road infrastructure, but that agency has capability the equivalent of SIIRP within its own funding to deal with -

CHAIR - To answer my question then, the \$2 million is appropriated each year for the forward Estimates as well, no change - it is \$2 million flat. Does that have value? Is it still a useful thing to have, if government is directly funding IT, State Growth have the capacity to do the roads? Most of our infrastructure is focused on roads and housing. Do you need this? Minister, this is really a question for you.

Mr FERRALL - I think it is of value. There are agencies that would not have the capacity to fund the initial project planning for some important projects. The whole idea of SIIRP is to enable agencies to do that initial work so that a bid is properly formed when they get to the budget round. If you do not do that preliminary work, you get budget bids which are ill-formed, which might lead to project blowouts or time blowouts. I think it is worthwhile. It is not a significant component of funding in relation to the total infrastructure investment of the government over a period of time. To have a small amount of money which agencies can utilise on a bids basis to effectively advance projects to a point where they are well-structured projects and can advance, I think is worthwhile.

Mr FERGUSON - It is a necessary line item from the point of view of ensuring we continue to allow agencies to be supported with their bids for the future pipeline. The current pipeline, as we know, is extremely large, it is extremely advanced. A lot of projects have, in fact, been brought forward. But we also need to make sure that we keep an eye out to the future so that we don't deliver a lot of infrastructure now, but then find later that we are underdone with future budget opportunities and that we don't have the mature bids that are fundable. I would add that in.

CHAIR - Any other questions on this line item from members? We will move to the next one, which is the two COVID-19 ones.

Output Group 89

Public Building Maintenance Program

89.1 Public Building Maintenance Program

Mr GAFFNEY - On page 344 of the fat one -

Mr VALENTINE - Budget Paper 2, Volume 1.

Mr GAFFNEY - it is interesting to see that \$10 million was allocated last year. I was wondering whether you can table what was spent of that \$10 million of the 2019-20 Budget that was allocated? I know that this is another \$50.5 million in this year and another \$9.5 million the year after. I want to know what was spent in last year's budget, what is earmarked for expenditure in this year's Budget, because a range of classrooms, schoolgrounds, hospitals, ambulance - a whole raft of public maintenance programs - are there. Also earmarked for

2021-22 are things like the Treasury Building and Launceston public hospital. Instead of going through all that now, could we have a breakdown on them.

CHAIR - A list of them.

Mr GAFFNEY - A list of those projects so we know what has been spent, what is earmarked for those areas; that might be more time efficient. Unless you want to make a comment, minister, about any of those?

Mr FERGUSON - It is perhaps not for me, as Minister for Finance, to do the whole-of-government spending on those, because I do not have that level of detail in my brief. The allocation has been provided - I can certainly, in a short space of time, provide the committee with what has been provided to each agency and in what year - but if you are looking for some more detail than that, for example, what Justice is doing with its provisions, I wouldn't have that immediately to hand.

CHAIR - Just to clarify, minister, you can give us the amount of money each department has received from Finance-General under this line item, and not specific projects, but just the departments?

Mr FERGUSON - Exactly. Well, there would be dozens and dozens, perhaps hundreds.

Mr GAFFNEY - On that page 344, the bottom of line there says 'details provided in agency chapters'. For next year put in statutory authorities as well because there is a whole lot of that public maintenance money in that, in chapter 3.

How is this line item worked out? The \$50 million is \$10 million last year and \$10 million next year, \$50 million this year. How do you work this out? Is it from agencies coming to speak to you, or different ministers, about the money?

Mr FERGUSON - We have the information to the agency level. It does also have the statutory authority, so that is good. I think we will table that for the committee. I will ask for a print-out to be made from my brief please.

CHAIR - When you get prepared, it needs to be tabled at that point.

Mr FERGUSON - I will do that. I think it would serve the committee's time better if I tabled it rather than read it through. As to the method, I will invite the secretary to discuss with the committee how to answer you on how the agencies might have bid for those, bearing in mind quite a number of them were done in the heat of the COVID-19 response to try to provide as much, to quote the Premier, 'screwdriver-ready projects and paintbrush-ready projects' as we possibly could.

Mr FERRALL - Initially, a \$50 million fund was originally announced and then subsequently, as part of the COVID 19 response, a further \$20 million was announced which gave the full \$70 million. The further \$20 million was allocated on 4 June. The individual projects for work was in essence broadly a bids process across agencies and then we worked through those bids and did specific allocations. As the minister said, this was done quickly at the time and so specific agencies were allocated shares of the \$50 million broadly based on their bids. In some cases, the agencies then restructured their bids on the basis of the funding

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available. As an example, Communities Tasmania had an initial allocation of \$8 million and then a subsequent allocation of \$4 million was approved, so a total of \$12 million. With that subsequent allocation, they might have reshaped some of their earlier projects.

Mr GAFFNEY - It was interesting looking into this because it says go to Chapter 12 for more information and then you have to go through the agencies and the authorities to try to put it all together. One interesting one was on the public maintenance, and I am not fussed by it, was to the Royal Tasmanian Botanical Gardens. Some of it was to projects 'to be delivered, including various construction and maintenance works onsite', which fits under the heading, but then as well as asset record digitalisation and project photography, which I wouldn't have thought was under Public Building Maintenance. If you are going to do this, you might as well do that and we will put it under the same thing, so is there not a strict definition of what that has to be spent on?

Mr FERRALL - No, not a strict definition. There were a couple of projects like that; the botanical gardens had been attempting to advance that particular project for some time and you did get some of those other components which are asset-related but not necessarily count as building maintenance per se. That is probably one of the very rare number in that class.

Mr GAFFNEY - Interesting. I think it was on a financial, there was \$332 000 for public maintenance with Parliament House and then under 'Office of Government - Completion of fire protection system', it was \$139 000. Did these two short projects have to be done?

Mr FERRALL - I guess they didn't have to be done, but they were funded from this fund.

Mr GAFFNEY - I know you put a lot of money - \$50 million - into it in because of COVID-19 and public maintenance. Does that mean we have now gone back to \$10 million a year - \$10 million in 1920-21 to 2022 - or do you see there will have to be more money put into public maintenance because all these are deserved projects and there will be a lot more down the line?

TAFE - there was a \$2.3 million over two years. There was another high-spend one, with MAST receiving quite significant funds. How did you work out who has the \$50 million for projects or do you say, 'Who needs projects?'. Why go for \$50 million in this COVID-19 year and then \$10 million next year in 2021-22?

Mr FERRALL - That was really on the basis of the capacity to advance the projects. The \$50 million was a new fund and so was the \$20 million. Splitting it across the two years was really on the basis of a judgment of creating that work over a period of time, but also on the basis of the discussions with agencies around what they could advance in the time frame.

CHAIR - If you have done with that, we will move on to the next one.

**Output Group 90
COVID-19 Response and Recovery**

90.1 Youth Employment Scheme

Ms WEBB - I am interested in terms of this being a particular focus to boost youth employment. Is there going to be, or have you, a process in place to target that spend in this year in terms of regions - for example, to have it evenly spread out across regions?

Is there targeting planned of particular industries or areas in which it will be provided as support and also particular vulnerable cohort groups? Noting young people are broadly a vulnerable cohort group, there would also be, within that, particular cohorts of young people who might benefit best from this assistance.

Mr FERRALL - That is actually the payroll tax rebate.

Ms WEBB - Youth employment is getting the payroll tax rebate?

Mr FERRALL - It is payroll tax rebate for eligible small business.

Ms WEBB - To encourage employment for more young people - sorry, I could have outlined that for you at the start.

Just to recap, is there is a process in place to target that spend either regionally, across industries or within the broad cohort of young people, or particular cohorts of young people.

Mr FERGUSON - Thanks, Ms Webb.

I am going to ask Fiona in a moment to make sure we get the facts exactly right for you. I am advised that figure is there as an immediate response. As a short-term response, the \$280 000 listed relates to stage 1 of the Government's Social and Economic Support Package which reintroduced the one-year Payroll Tax Rebate for new youth employees between 1 April and 31 December 2020.

That is the first burst of that reactionary response by government to support; of course, it is region-neutral, it is every region. In terms of what it really means, the broader package is in the Treasury and Finance chapter around what the future arrangements are.

We are proposing to take it out to 30 June 2022, and it will be all youth employees, all apprenticeships and trainees, including adult apprentices and trainees above the youth age category.

Ms WEBB - In terms of the spend of this \$280 000, there is not a targeting process to ensure it is spread across regions, industries or across cohorts of young people.

Mr FERGUSON - I understand where you are coming from and I will ask Fiona to come in now. To be clear, that is the stage 1 and the cost being allocated for it for the payroll tax rebate for new youth employees, picked up between 1 April this year, and 31 December this year, which is all regions.

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In fact, it is self-selecting, because it is whatever employer wishes to be able to take advantage of that opportunity to take on a young person, without having to pay additional payroll tax.

Ms WEBB - Anyone who fits that category could come to you to dip into that bucket. Is that bucket then sufficient to meet that potential need there?

Ms CALVERT - The minister is correct. That amount in Finance-General just refers to the reinstatement of a program we had a couple of years ago. It just goes from 1 April to 31 December this year, so that amount is just for that. It targets all young people throughout the state, so 15 to 24 years of age, and effectively it was announced as part of the Social and Economic Support Package - and then back when Tony was speaking earlier about the PESRAC recommendations, PESRAC recommended that it be extended further.

Ms WEBB - Number 45, I think it was.

Ms CALVERT - Yes, that is correct. Legislation will be considered by the Legislative Council in a couple of weeks, I think, which effectively extends that program through to June 2022. It also extends the current apprentices and traineeship program, which is for a limited number of industry groups, through to 2022. Then there is an expansion of that to cover all industry groups - so, going back to what we had a few years ago. The funding for that is actually included in the Treasury chapter, under 'Payroll Tax Rebate for Trainees, Apprentices and Youth', so that picks up all the extensions.

Mr FERGUSON - Ms Webb asks if that was sufficient. I think, because it is legislated, it would be a great problem to have if it were oversubscribed. Then we would need to provide the extra funding.

Ms WEBB - We will see that in the wash-up. With the investment in that discrete amount there for the particular period of time you describe is the expectation that it supports existing jobs, or do you believe it has driven the creation of new jobs? Will you have a way of measuring that?

Mr FERGUSON - It is targeted at new employment, and new apprenticeships and traineeships.

Ms WEBB - Do you have a figure, then, for how many businesses and how many young people would be supported into new jobs with that particular investment?

Mr FERGUSON - We expect 2000.

Ms WEBB - Is that 2000 young people, or 2000 businesses?

Mr FERGUSON - Two thousand young people.

Ms WEBB - And the number of businesses captured in that?

Mr FERGUSON - We would be guessing, Ms Webb, but certainly the initiative is targeted at achieving around 2000, and I am informally advised that might suggest 250 employers.

Ms WEBB - Okay, thank you.

CHAIR - No other questions on that one. We will move on to capital investment.

Mr FERGUSON - I will table for the committee the agency funding allocation that was asked for by Mr Gaffney, for the \$70 million -

Capital Investment Program

CHAIR - We will move on to the Capital Investment Program, and this is the Digital Transformation Priority Expenditure Program. I note the allocation of \$12.5 million annually and up to \$15 million moving forward. Is it appropriate to ask you about that here, or is that better under Science and Technology?

Mr FERGUSON - It is appropriate here, for sure.

CHAIR - I am interested in what the focus and key priority measures are under this Capital Investment line item.

Mr CRAIGIE - The 2020-21 Budget continues the funding for Justice Connect, the child and youth services system. There is additional funding for the BIMS, PARS/PACMS integration, and -

CHAIR - What was that one, sorry?

Mr CRAIGIE - BIMS - the new Budget Information Management System.

CHAIR - The new schmicko system we have.

Mr CRAIGIE - There is work continuing on that. There is also a project - that is the budget side of Treasury, the actual side of Treasury, the cash-receiving systems. We simply call that PARS/PACMS, so we use acronyms. There is funding to help upgrade that as well.

There is also new funding this year, under the heading Digital Health Transformation.

CHAIR - How much is allocated for that?

Mr CRAIGIE - For Digital Health Transformation? There is \$1.5 million over the Budget and forward Estimate years.

CHAIR - It is not a lot.

Mr FERGUSON - No, it is not a lot, but that is actually about project preparation.

CHAIR - So it is not actually delivering the digital health?

Mr FERGUSON - That is very similar to the previous conversation we had about that advanced work, so that we actually have a coordinated -

CHAIR - So it is just to fund that advance scoping work.

Mr FERGUSON - Correct. It is about maturing the proposals and the business cases to the state so they could be funded in future budgets.

DIVISION 12

Department of Treasury and Finance

Output Group 1

Financial and Resource Management Services

1.4 Government Property and Accommodation Services

Mr GAFFNEY - We have had a bit of discussion about this already. There was a 14 per cent increase through 2019-20 and 2022. Was that in relation to COVID-19? Can you explain that one? There is a small increase in projection in the following year and a decrease in the year after that. I am wondering how the increase was - what was it for?

Mr CRAIGIE - There is nothing really obvious that leaps out. The output consists of direct salaries of the branch, direct operating costs, and a range of overhead costs.

Mr GAFFNEY - I was not overly fussed by the increase, but it was the percentage increase that was quite significant in one year, from 2019-20 to 2020-21. It is \$230 000, or something.

Mr CRAIGIE - The 2019-20 Budget was \$1.9 million; the 2020-21 Budget is \$2.3 million - the 2019-20 actual was \$2.1 million. When you look at the actual to the next year, it is not as significant an increase.

Mr GAFFNEY - Okay. The other part of that one -

CHAIR - Can I just clarify that? In your annual report, it says the actual was \$1 993 000. There are some odd figures in the line-up with the Budget Papers. Just to clarify, I have your annual report here. Page 45 in your annual report, Expense by output, 1.4, the Budget was \$1 911 000, which is exactly what is in the Budget Paper.

But the actual, which you said - I cannot remember exactly what you said now, sorry, James - but \$1 993 000 was the actual. This is not what you said. Something is not correct, either the Budget Papers or the annual report.

Mr CRAIGIE - I am not reading from the taper, I am reading from an internal note.

CHAIR - I am reading from the Department of Treasury and Finance annual report, not the taper.

Mr FERGUSON - We will reconcile that for you, for the committee. We will take that on notice, if that is okay. We will try to answer it for you today.

Mr GAFFNEY - The only other question I had from this one: it includes disposal of surplus Crown property. Was there any surplus Crown property in the last 12 months?

Mr FERGUSON - Yes. My answer would be the same as the earlier one, Mr Gaffney. There is no difference.

1.5 Government Procurement Services

Dr SEIDEL - Minister, before I ask you a series of questions about tenders awarded to local businesses, or overseas organisations or interstate businesses, just for the record, can you just give us the definition of a Tasmanian business is consistent with the one that has been longstanding, including by the previous government, around a business which operates in Tasmania and has a significant footprint here.

Dr SEIDEL - So, 'operates' does not mean it has to be registered as a Tasmanian business? It has to do business in Tasmania?

Mr FERGUSON - That is correct, nor does it suggest that it should be owned by a Tasmanian. For example, Tassal is a Tasmanian business although it is a listed company.

Dr SEIDEL - Could you then provide a breakup of tenders awarded to Tasmanian businesses compared to non-Tasmanian business? I imagine after they had got the tender, they would automatically become a Tasmanian business because they do business in Tasmania but, let's say before they have been awarded the tender, what is the breakup there?

Mr FERGUSON - If you have invited me to discuss that, I will give you some context, Dr Seidel. We have improved the Government's buy local policy. As you know, we came to office in 2014. Zero points were allocated to the Tasmanian business local benefits test. We made that a 10 per cent allocation. Last year we increased that to a 20 per cent weighting and on 31 July this year the Treasurer, who is responsible for TIs and for this particular policy, upgraded it further to 25 per cent and replaced the previous local benefits test with a new economic and social benefits test. The Treasurer also elevated the value of contracts from \$50 000 to \$100 000 as requiring a tender process providing a greater opportunity for agencies to more or less go directly to Tasmanian local businesses with which they are familiar and procure.

The latest data that I have is actually very impressive. Before this policy was introduced in 2013-14 - before the buy local policy was introduced by the Liberal Government - the percentage of contracts awarded to Tasmanian businesses resulting from open procurements was 63 per cent and the data I have been provided with as that of the first quarter of 2020-21, we have been able to see that increase to 93 per cent.

Dr SEIDEL - Thank you, minister. Can you break that down by department as well? Do you have the data there, by any chance?

Mr FERGUSON - Dr Seidel, I believe we can provide that information. I do not have that breakdown to hand but I'm sure that - we are so proud of that result because we are creating

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Tasmanian jobs and supporting Tasmanian businesses - I would only be too pleased to provide that.

Dr SEIDEL - The next questions are about the larger tenders and the smaller ones. How many Tasmanian businesses have been awarded contracts valued over \$10 million?

Mr FERGUSON - In the spirit of trying to support the committee, we will do our best to provide whatever we are able to - if you would like to supplement the question I am taking on notice with that as well.

Dr SEIDEL - Yes. Thank you. The follow-up would be quite similar - would be for smaller tenders, so less than \$50 000. It would be worthwhile me understanding how many tenders we have been awarded and what the total volume of these smaller tenders are just to put this context.

Mr FERGUSON - They are not tendered, are they, so -

Dr SEIDEL - So this would be -

Mr FERGUSON - They are not tendered. In fact, we are not tendering below \$100 000.

Dr SEIDEL - Would it be possible to do - because you mentioned the 150 with the impact statement - would it be possible to do this for \$150 000?

Mr FERGUSON - No, I am not sure if I misspoke, but it is \$100 000, above which we do a tender and at which the economic and social benefits test applies and is actually allocated 25 per cent of the score in relatively comparing the different bids. Does that help you?

Dr SEIDEL - That would be helpful.

Mr FERGUSON - Sorry, what would you be asking for?

Dr SEIDEL - What I'm asking you is: what the total value would be of the smaller -

CHAIR - Smaller being?

Dr SEIDEL - dollar values. That will be \$100 000 and less, in the context of the total values that you have.

CHAIR - They don't tender below \$100 000.

Ms WEBB - Of the ones they give out.

Mr FERGUSON - If the committee is prepared to understand that when I receive my advice, I may not be able to have that level of detail, I am still happy to receive the question.

The whole point there is about making it easier for agencies to go direct to their Tasmanian - or existing - suppliers and do business, and get things moving, and take out the one- or two- or three-month period that might be inserted if you are having a tender process. I

am not sure we capture the data in the way that you, perhaps, thought we might, but again, if we can capture it -

Dr SEIDEL - But did you capture the data?

Mr FERGUSON - Well, it is all captured, but I am not sure that it is for the purposes of counting tenders. They are not counted because they are no longer tendered. I guess what I am offering to do is our best endeavours to find that information.

Mr VALENTINE - Just on that aspect, is it possible that some are splitting up their projects, and getting underneath the \$100 000? Do we have any indication of how much that might be occurring?

Mr FERRALL - The answer is it is possible but they are not supposed to disaggregate contracts for the wrong reasons. We have a policy which enables contracts to be disaggregated where it makes sense to disaggregate them. That might actually provide greater local benefit by disaggregating some contracts.

Mr VALENTINE - So local companies have a better opportunity of being able to perform rather than going to the mainland?

Mr FERRALL - Absolutely. Or a business might not quite be of the scale that they could do a statewide roads maintenance contract, for example. We disaggregated that down to the regional level. This is one example that springs immediately to mind. So, something that is more achievable for local businesses to feasibly tender for that.

Mr VALENTINE - What strictures are in place to stop people from disaggregating?

Ms WEBB - In order to avoid the scrutiny?

Mr FERRALL - There is a sort of a balance here. Certainly, you want agencies to sensibly disaggregate contracts to enable local procurement to occur. You don't want them to aggregate up effectively, and then push local entities out of the market, effectively, or being unable to tender.

Conversely, you don't want agencies to utilise disaggregation to push the level below \$100 000 so that they can simply avoid a proper procurement process. There are Treasurer's Instructions which effectively preclude that, as well. Agencies also have tender evaluation committees, as you would be aware, and heads of agencies have specific responsibilities in relation to procurement. There are checks and balances in place with both within agencies and within the TIs and also in terms of head-of-agency responsibility.

Ms WEBB - Is there an overarching accountability or scrutiny, where there is a review done to check and cast a broader set of eyes from either Finance or Treasury at that across the different agencies.

I am asking the question, because we know there is an instance in which a particular agency had a matter that went to the Integrity Commission in relation to this very thing, where a project had been broken up into smaller pieces, so that it could be awarded without the

scrutiny of a tender process, and be awarded to somebody favourably who was connected to the person awarding the project.

Given that is there as an example in our very recent past, what process has been put in place for the central agencies to cast an eye and have a further scrutiny of that not occurring as per treasurer instructions?

Mr FERRALL - I will have to check exactly when it was done, but on the back of that particular instance, instructions were put out to agencies around some actions they needed to take internally in terms of the scrutiny of those things. I would have to go back and find that. We as Treasury don't do a review or an audit across all agencies, if that is the question you are asking.

Ms WEBB - I guess that is what I'm asking. If, having issued the instructions, whether there's some form of review or audit that comes into play even if it is just a spot audit, to see that they have been followed?

Mr FERRALL - Depending on the agency's internal audit, they get picked up through internal audit procedures. Now, it wouldn't necessarily be every contract, every year, but they do have requirements to conduct internal audits and then periodically the Auditor-General does look at these matters as well.

A series of checks and balances are in place. It is almost impossible, given the circumstances of that particular matter, to collect those or prevent individuals who might occasionally do the wrong thing. I mean, you pick them up, you change the rules, you put in place other checks and balances, but when you have people who act inappropriately, some of it is, you know, hard to pick up in real time, as you would understand.

Ms WEBB - Or you can hold them to account after it has been found.

Mr FERGUSON - We have a collection there to take on notice; would you like us to provide that?

CHAIR - Yes, we will write to you on that.

Output Group 2 Economic and Fiscal Policy Advice

2.2 Regulatory Policy

CHAIR - Before we get into this, I wanted to check the budget allocations here. The actual for the 2020-21 Budget, according to the annual report, was \$2 895 000 and the Budget here was \$3 927 000 so, again, there is a discrepancy here. It doesn't line up at all and the actual was \$3 153 000 which, when you look at what state of the Budget was in our Budget Papers, that is actually less, but if you look at the Budget that is according to the annual report, it's more. Hence, my confusion around how much was actually budgeted and how much was actually spent and why the changes?

Mr FERRALL - This might explain a couple of these for you. The output allocation for the 2019-20 Budget and the actual expenditure had to be re-estimated to take into account, effectively, the Treasurer and Minister for Finance portfolios. Previously, we had a single Treasurer portfolio, so when we have done the splits, some of these things have shifted slightly, as you can understand, with different overheads, different allocations, and that is why you are getting some of those slight variances.

CHAIR - Perhaps a footnote might have been helpful.

Mr FERRALL - I am not sure, there might have been one somewhere, but maybe there should be another one.

CHAIR - Maybe you could point me to the footnote?

Ms WEBB - There still isn't a number here that matches up, though, between what is here in the Budget Papers - 4.2.2, Regulatory policy, for example, for the 2019-20 year was \$3 771 00 and then -

CHAIR - That's what I just said were those figures.

Ms WEBB - then across in the annual report -

CHAIR - That is what I just said. I just read those figures out.

Ms WEBB - I do not think what Tony has just explained to us explains why none of the figures line up.

CHAIR - I made the point that none of them line up, yes. Can we have some -

Mr FERGUSON - Can I just invite you to allow the secretary to respond to that because I am not sure that he would agree with your claim.

Ms WEBB - Perhaps to clarify what I was saying is: what you explained a moment ago appeared to me to explain why there would be variation from one year to the next because of the shift of the portfolio, but it does not necessarily explain why there is a difference between the Budget Papers we are looking at and the reported figure in the annual report.

Mr FERRALL - I would have to go through the individual figures with you, but you can understand we did not have a minister for Finance at the start of the budget year, so the minister came later. We did, as we always have when you have a change in portfolio structure like that, some re-allocation across the Budget, and that has moved some of those numbers.

I accept what you are saying, that it makes it very hard to compare year to year. In past years where we have had what we would say is substantial reallocations of portfolios, we have tended to do a detailed reconciliation. We did not in this case, given it was, from a holistic perspective, relatively minor in terms of the Minister of Finance and Treasurer. But as you would be aware, where we have had much more substantial restructuring in the past, we have done detailed reconciliation tables. We can do that, if that assists.

CHAIR - I am interested where we would see the difference reflected in the Treasurer's portfolio areas as opposed to the Minister for Finance. It would be good if you could provide a bit more detail on this. There was no reference in 2.2, to clarify that. If you go to the description of 2.2, Regulatory policy, Budget Paper No. 2, at page 350, it says -

The Output includes the provision of advice relating to regulation and taxation of gambling activities and regulation of the sale, supply, promotion and consumption of liquor, State revenue policy, subordinate legislation and the legislative review program.

Which are your responsibilities, minister, of these? All of them?

Mr FERGUSON - All of them.

CHAIR - Which makes the comment about some of it being the Treasurer's -

Mr FERRALL - No, go back one step - when you identify output expenditure, as I have indicated previously, you have an overhead component which you allocate. Now, if you have had a change of portfolio, with, say, the Treasurer and the Minister for Finance, you may have some things that were previously treated as an overhead which might become directly costed. If you make that mix, and you start to apply the overhead to the individual portfolio, you will get variations to where they were previously. It is inevitable in terms of the way outputs are costed.

Mr FERGUSON - However, Chair, I would like to say previously I offered to respond back to the committee in relation to those questions around Output Group 1.4, where I said I would like to be able to respond with the reconciliation between the annual report actual and the Budget actual, so we can do that. I will do so in a broader sense with the other output. I will definitely take that on notice and give you a prepared response.

CHAIR - It is a little bit hard to understand in the terms of questioning, expenditure in this area as to what changes there have been. Has there been a reduction in funding or effort in some of these areas, maybe related to COVID-19? Some of these, you could perhaps argue, would have been pushed slightly to the side. The Subordinate Legislation Committee, for example, is still subordinate legislation, and will be busy with notices, but not so busy with regulations. I imagine the agencies were quite busy with other matters. Can you, minister, explain to me what has been delayed during this last period? Admittedly, we are looking at the past financial year.

Mr FERRALL - There are quite a number of movements within this output. The Budget and forward Estimates figures include the costs of the Future Gaming Markets project. In 2020-21 that project is funded from a rollover of unspent funding in 2019-20, so you have variations.

CHAIR - Is that is the social and economic impact assessment?

Mr FERGUSON - No, this is the work itself of the future policy. We are progressing the negotiations and preparing instructions for Office of Parliamentary Counsel for the future legislation and, of course, the consultation phase, which is yet to come.

Ms WEBB - What is the allocation within that for developing and progressing the Future Gaming Markets policy? What amount has been rolled over?

Mr FERGUSON - We will attempt to gather that for you, Ms Webb.

Ms WEBB - In terms of the progression, because you have had that on hold during this period of time, hence the rollover, is there now a time line under which you expect to progress the Future Gaming Market policy in legislation?

Mr FERGUSON - Ms Webb, not at this time, no. The Government is still focused on the pandemic economic recovery and response, but we are not changing the policy we took to the election, which we are progressing. We have paused the process and we have also provided the assurance, as I am sure you and others will want to hear, that we will release our consultation findings from the first round. Then, as we finalise the policy parameters, which we haven't done yet, we will go back to the community and consult again on the draft bills.

Ms WEBB - So you don't have a time line for when you will be, for example, putting submissions from that first round even on the website into the public domain, let alone your response to the consultation? Is there a time line for that?

Mr FERGUSON - No, there isn't a time line for it at this point, but we are still committed to advancing it. It still needs to happen and we have indicated that to stakeholders; but for the time being, our focus has been elsewhere.

I would like to correct something I said earlier. We may not be consulting on a draft, but we will certainly be consulting on the final policy before we take a bill to parliament. That would have been a better way for me to express that process.

Ms WEBB - You won't be putting out an exposure draft as you had intended to, had it progressed this year on the original time line?

Mr FERGUSON - I don't know about that but my point is that to be clear, we will be very open and frank about what the final policy parameters will be before we bring it to parliament.

Ms WEBB - Is there any reason you are unable to put submissions onto the website that were made back in February to the consultation round on the framework at that time?

Mr FERGUSON - Yes, I can because our focus has been elsewhere.

Ms WEBB - So uploading what I imagine was probably a small handful of submissions isn't possible at this time?

Mr FERGUSON - We are progressing but it is not where our focus is right now. It is not the right time for that, but as soon as we are able to. There will no five-minute consultation in the response paper.

Ms WEBB - I'm not talking about the response paper. I am actually talking about the submissions made way back in February that you have sitting on the desk, or on a computer in a folder somewhere, that I imagine could be popped on to the website in about half an hour.

Moving on from that, in terms of the Social, Economic Impact Study - SEIS - currently underway. It has been delayed by COVID, understandably, and is now expected to be delivered by the middle of next year. Do you expect that you won't be progressing the policy and the implementation legislation of the policy until you have received input from that latest piece of local research and independent data that is collected?

Mr FERGUSON - I will ask the secretary to provide a response as well. The SEIS is a statutory process that is being followed. It is due in June, I believe. It is underway, but the future gaming markets legislation and all the things I have talked about in terms of consulting with the community are not linked to that SEIS.

Ms WEBB - You are saying you may progress your policy and legislation prior to receiving the current independent, government-funded research in the state on this very topic?

Mr FERGUSON - Potentially. As you indicated earlier, it was intended we would have dealt with the legislation this calendar year, but the two are not linked. One is a statutory requirement and the other is implementing a policy we took to the election.

Ms WEBB - The content is linked though, minister. It is relevant content to you to understand. You have answered the question and are quite happy to progress the policy in the absence of the most up to date research.

Mr FERGUSON - We will progress the policy when the time is right. I haven't locked in with this committee any particular time frames, but I am de-linking the legislation necessarily being post-June.

Ms WEBB - I have one more question on this.

CHAIR - This also includes legislative review program. Minister, can you indicate whether your processes are underway and in what areas?

Ms CALVERT - Do you mean what pieces of legislation?

CHAIR -... Yes, the key legislative review. We know for a fact that some things are being deferred. For example, we know the non-fatal strangulation legislation has gone to the Sentencing Advisory Committee. So are other key pieces of legislation being reviewed under this? Is it about your own legislation?

Ms CALVERT - That relates to the legislation review program and it is for the legislation act.

Mr FERGUSON - And the regulatory impact statement?

Ms CALVERT - Yes. One of the things we did with the onset of COVID-19 was to devolve a lot more of that responsibility for the legislation review program review to agencies. It is more a self-assessment process now, rather than the very administratively burdensome for agencies process we developed in the 1990s that was fit for purpose at that point in time. We do not see some of those smaller pieces of legislation or they do not necessarily have an impact.

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CHAIR - We are also talking about here - correct me if I am wrong, minister - that the 10-yearly review of the regulations and that sunset clause for regulations?

Ms CALVERT - That still continues there is no -

CHAIR - So you are not talking about the process around that, right.

Ms CALVERT - No changes to the Subordinate Legislation Act.

CHAIR - I am more interested in the process. Having sat in that committee for longer than I care to remember, we often have trouble with departments providing the necessary information, such as certificates, in a timely manner and tabling in a timely manner. Some of them are so far out of time that in other jurisdictions they would become non-effective. The legislation in Western Australia provides that if you do not table it in the right time, it is no longer a regulation. We do not have that here, but we have in some departments some pretty lax approaches to it, or so it appears. Are you confident this is not being undermined by a devolvement of some of these processes?

Ms CALVERT - No, certainly not. We still engage with agencies and where they need support from our [inaudible] policy area; in relation to regulatory impact statements, we are still very involved with them. However, we have removed some of the processes that do not necessarily add value to the actual outcome. There is still an expectation that consultation occurs and that they need to demonstrate that things are in the public benefit.

CHAIR - That still comes back through your office, minister - the probity around that process and making sure it does occur.

Mr FERGUSON - Actually, on a day-to-day basis, no, it does not come into my office. This is done at the agency level and they would be interacting quite closely with the other inner agencies.

Ms CALVERT - That is correct. All legislation that goes to Cabinet comes back through us so we get an opportunity to look at things at that point.

CHAIR - Including all delegated or subordinate legislation as well?

Mr FERGUSON - Chair, if I may - I am advised that the rollover amount that the secretary talked about earlier in relation to the funding allocation for future gaming markets and other regulatory policy is \$610 000, which has moved from 2019-20 to 2020-21.

Ms WEBB - I think it fits into this line item because it is related to taxation in relation to gaming, and picking up and checking in again from last year's Estimates. In the 2019-20 financial year, what percentage of state Government revenue was provided by taxing the electronic gaming machines - EGMs.

CHAIR - Is this revenue from EGMs you are talking about?

Ms WEBB - Yes.

CHAIR - You might move this to 3.1., which is tax administration and revenue collection.

Output Group 3

Revenue, Superannuation and Regulatory Management Services

3.1 Tax Administration and Revenue Collection.

Mr FERGUSON - We would be happy to take that question on notice.

Ms WEBB - Okay. That was the first question.

Mr FERGUSON - The revenues are all disclosed, but I think we would need to go back and seek a breakdown of that particular issue.

Ms WEBB - I am asking about percentage of state government revenue that represents.

Mr FERGUSON - The percentage of state government revenue that represents?

Ms WEBB - Yes. It is the same question you were asked last year, and I think provided to us. I am looking for an update on that for the 2019-20 financial year that occurred and for the current year in terms of what it is expected to be as a percentage of state revenue.

Ms CALVERT - So unsourced taxation revenue?

Ms WEBB - Yes.

Mr FERGUSON - If you put forward those questions through your secretary, I would be happy to take that on notice.

Ms WEBB - Sure.

CHAIR - Minister, growing the economy is the best way to grow revenue and when I look at our unsourced revenue - and that is everything except federal grants - there is not much growth to be seen. Fiscal Strategy 1 commits us to keeping all funding expenses below revenue growth and this year our unsourced revenue will be \$2.362 billion. For the next three years, it will only rise by \$44 million.

There is a small rise this year of \$40 million, but then no growth forecast. In terms of meeting your own fiscal strategy - and I will ask this of the Treasurer if you think it's more his question; you are tax administration and revenue collection - I feel we are not moving forward. We are effectively moving backwards by your own figures.

Mr FERGUSON - We will jointly answer this. Obviously, there have been some ups and downs in this area and the GST - which you may wish to discuss with the Treasurer, I am sure you will - and, of course, the state taxation has actually been more buoyant in some respects than our earlier forecast might have suggested, particularly, when we are in the period of effective shutdown of a lot of businesses.

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CHAIR - But your forecast in the Budget does not suggest that.

Mr FERGUSON - It rises again in 2021-22, so there is the best attempt by the agency to forecast these figures and I am more than happy for the secretary and his team to answer further detail.

CHAIR - Before that happens, the actual is \$2.5 billion and then 2020-21 - as you said, there is an increase from the Budget which is \$2.362 billion and then it flattens out to 2.4 - in terms of, yes, the actual was better than you expected because that is part of the non-COVID year - we have half-COVID, half non-COVID. It seems to me you are not predicting or have forecast any unsourced revenue growth.

Mr FERGUSON - We are not increasing taxes, to be very clear.

CHAIR - Yes, I know you are not.

Mr FERGUSON - I am not sure if you want us to.

CHAIR - No. I would like you to hold with them. It is interesting what New South Wales is doing at the minute.

Mr FERGUSON - It is interesting.

Mr FERRALL - 2021 is still impacted by a range of waivers and other measures the Government introduced in respect of COVID and why you are seeing that drop down. We have forecast revenue growth going across the forward Estimates. I take your point: it is not forecast to be a high figure in terms of our revenue growth. As the minister indicated, our forecast will put together - well, more recently, but not based on the current, latest position in terms of how the country is opening up in respect of COVID-19. I would add we will give an update of revenues and currently would anticipate we are likely to be more positive in respect of some of those revenues when we do the RER. There is growth, but it's low.

CHAIR - Minister, I'm aware of the time; we are going to have a break from 11.00 to 11.15 a.m. We have a little capacity at the end of the day to extend a little. Are you happy to continue for a couple more output groups and then have a morning teabreak before we start State Growth?

Mr FERGUSON - Yes. I think that is a good idea.

CHAIR - All right.

Mr FERGUSON - So you do not need to take this on notice, I can indicate I am advised that the tax is 2.86 per cent of total state taxes when you look at just EGM tax.

Ms WEBB - That was for 2019-20?

Mr FERGUSON - I am getting a nod - 2019-20.

Ms WEBB - There were three questions. What is the expected percentage for this current financial year? The third question which I was adding into that question on notice is the

expectation under the new licensing model that comes into play in the forward Estimates in 2023-24.

Mr FERGUSON - We will continue to take it on notice then.

CHAIR - Still in tax administration and revenue collection, are there any other questions from members on this?

Ms WEBB - On which one?

CHAIR - We are in 3.1.

Mr FERGUSON - I think it would be wise to press on. My officials will no doubt be looking to join the Treasurer at his other Estimates.

Mr VALENTINE - I am interested in the comparison with other states with regard to our land tax. This is what a lot of people have been really complaining about. When you look at the land values, Tasmania charges something for \$25 000, \$100 000, \$200 000 - nothing in other states. Then, if you go to \$750 000 - I am talking about land value, not house and land - \$750 000 in land tax in Tasmania is \$7837.50; in Victoria, \$1725; New South Wales, \$356.

When are we going to revisit or index this so that it is perhaps more reflective of other jurisdictions? For people who own shacks, as I said the other day, the question is: it is way too high when compared to other states, are you going to review it? Would you index it? Local government can't just get a -

CHAIR - The question is: are you going to review it? You just need to cut to the chase with the questions.

Mr FERGUSON - I am not going to say we are reviewing it because we are not changing and we are not increasing taxes. I understand you are not inviting me to increase this particular tax, you are looking for something else; I understand that. We certainly want to make it really clear that we have not changed anything in relation to land tax, only to have given quite a lot of it back to people.

Mr VALENTINE - I appreciate that.

Mr FERGUSON - That is all we have done in respect of land tax, and of course, taken through a bill, which went through both Houses, to provide for further support for commercial businesses that simply can't afford to pay it because they have been adversely financially impacted.

Mr VALENTINE - Not land tax.

Mr FERGUSON - They need to be able to demonstrate that. But we also provide for hardship provisions where taxpayers who are having difficulty paying their land tax liability - if they can show that they are going through hardship - they can apply to the Commissioner of State Revenue to slow down their payments and pay them by instalments. It has to be said that we need to be careful about eroding our revenue base because it is funding we need for a whole range of government services. It is a balanced approach here.

I know a lot about this has been discussed, particularly in the last few months. The Government would like to make it clear - because some people have been misled - that we have not increased the tax nor changed the way it is calculated. I think what you are, of course, witnessing is that the established and legislative process involves the Valuer-General. Some people have seen their properties increase in market value.

Mr VALENTINE - That is precisely it. The difficulty is that the landlord who is renting out a property can't lift the rent to account for this rise in land tax because of COVID-19. It really a difficult situation. Commercials, yes, they are getting some relief because they are not paying. That is the thing that is being pointed up. It would be interesting to know whether you would be looking at further relief maybe, for landlords in this regard, in some way, shape or form. The question is that 8.1 per cent is charged if they cannot pay, yet, the value of money is way down. Are they going to review it?

Mr FERGUSON - I would like to say that anybody who is looking at a situation where they are struggling to pay that bill, we would not want them to be facing penalty charges if they are going through hardship. We actively invite them to discuss that with the SRO and to make application for hardship provisions, for sure.

Mr VALENTINE - For some people it is a rise in tax.

Mr FERGUSON - Well, it is not, but I understand that for some that might be how they might perceive it - for example, the way rates notices might be collected and calculated.

Output Group 3

Revenue, Superannuation and Regulatory Management Services

3.2 Regulation and Administration of Liquor and Gaming

Ms WEBB - First, this might just tie in back to your commitment to come back to us about the different numbers across the annual report, as opposed to the Budget Papers. Again, I note that with this line item there is quite a distinct difference between what is in the Budget Papers we see here and what is in the annual report. Quite a significant difference. So, if you could, as part of your explanation on those other matters, come back on this one, as well.

Mr FERGUSON - Yes, when I do respond with that extra information, I said I would like to provide a reconciliation. I intend for that to be across the board, as much as we possibly can.

Ms WEBB - When I look at the line item here in the Budget, around regulation and administration of Liquor and Gaming, across the forward Estimates it is relatively flat, just minimal increases.

When we get to the 2023-24 financial year, which will be the first year of the new licencing model you are intending to bring in, the Budget Papers, I take it, don't reflect the

impact of that on this line item. Is consideration of the new licencing model included in the figure there in the 2023-24 year?

Mr FERGUSON - I will go to the secretary on this one, Ms Webb. The point would be that the allocations would attempt, as best as possible, to reflect the actual cost of the regulatory environment. We would not seek to dodge the point that the legislation will change in the meantime.

Mr FERRALL - The Future Gaming Markets project does have an allocation of funding in the 2023-24 year. If there are further or additional costs in terms of regulation that may come through from the legislative change, we would seek to put something in a normal budget sense to meet those additional costs.

Ms WEBB - So, this figure in this Budget Paper doesn't reflect additional costs related to the licencing model change? You haven't anticipated it, and put it into this number here?

Mr FERRALL - No, we haven't. All we have, across the Budget and forward Estimates, is the project costs, which we think there will be some capacity within those project costs in that last year, and our normal regulatory budget allocation.

Ms WEBB - You haven't developed an expectation based on the advice you have had from the Liquor and Gaming Commission in times past on this model, that it would be higher compliance requirements associated with individual licences to venues -

Mr FERRALL - We haven't developed a full detailed compliance model because we need to wait for the legislative changes as well, quite obviously.

Ms WEBB - Presumably you would go to the Liquor and Gaming Commission to inform the modelling that might be required around compliance necessitated by the new model?

Mr FERRALL - Yes.

Ms WEBB - Can I ask a question about some matters that are in the annual report for the Liquor and Gaming Commission that relate to regulation around gaming, and just noting that they discuss on page 4 -

A significant matter considered by the Commission during the year related to failure of harm minimisation and player protection. This resulted in a large fine of \$9 780.

In the context of pokies revenue, I am not sure that is a large fine, and it was, but we find in the table on page 18, that was a fine brought against the Tasmanian Country Club Casino, and the breach was -

Not complying with the requirements of the Internal Control and Accounting Manual.

Can you talk me through how that would have been discovered? Is that an inspection by the Liquor and Gaming Commission, or is it something that would have been reported to them?

Mr FERGUSON - I'm advised that would be a matter determined by the commission itself. As you know, the commission has a high level of independence in managing compliance, and enforcing it.

Ms WEBB - In terms of seeking information around that detail, are you directing me to seek that directly from the commission, or are you able to provide that?

Mr FERGUSON - I wouldn't attempt to stop you or discourage you from doing that. I don't know what the commission would come back to you with.

Ms WEBB - Another question I have relates to the 24 complaints received and investigated by the commission in relation to gaming. It is on page 17 of the annual report. Of those 24, how many were found by gaming officers, by inspections and how many were reported externally? That is not information you can provide to me under this funding of the regulation, funding of the commission?

Mr FERGUSON - I would like the Committee to feel it can get as much information as you want; I am happy again to take the question on notice, but I cannot and will not direct the commission on that. If I can obtain any level of detail, I am prepared to take it on notice. On behalf of the commission, I ask you to respect the fact that what I provide back to the committee may not be the level of detail you are looking for.

Ms WEBB - Okay, we will provide it on notice for sure and see how we go.

In relation to the commission regarding details of the compliance activities undertaken by the commission pre-, during and expected in the post-period and what that this looks like, what activities, what level of activity, have occurred particularly in-person inspections in venues? How is this tracked and what has been put in place at times when that has not been able to occur?

Mr FERGUSON - I think I can answer now in some terms and others may assist me, but in short, the commission is empowered on a risk-based approach to look for areas where there might be a risk of noncompliance and then to actively police - sometimes with announced visits, sometimes with unannounced visits to - a range of venues. That will not change so I am answering that question now.

In terms of the future model, it would obviously be a matter for consideration through the bill development process. We will be sharing that with the community in respect to another round of consultation, when the final policy parameters are settled. There will be no less empowerment by the commission in inspections and being empowered for enforce compliance and to effectively police it when there is noncompliance.

Ms WEBB - Thank you for those broad comments. I was actually interested in the numbers of those inspection and compliance activities under taken by the commission. It is not reported on in their annual report as specifically as I am looking for, in terms of the numbers and how that has changed pre-, during and post-.

Mr FERGUSON - Can I ask: well, post- is a hypothetical.

Ms WEBB - Post-COVID, I am talking about not post-new license.

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Mr FERGUSON - Beg your pardon, I thought you meant post-new legislation.

Ms WEBB - No.

Mr FERGUSON - Can I just pose it to you that I am not sure you would necessarily want the commission's compliance activities in detail to be published?

Ms WEBB - Well, I would like to know, for example, how many in-person inspections happened during 2019-20 and then are expected during this 2020-21 financial year. I do not think to provide that jeopardises any particular effectiveness of compliance. Can you provide me with this number?

Mr FERGUSON - I will take it on notice again and will be very judicious in what I provide through that because I do not want to undermine the integrity of the compliance regime because increased awareness of it may actually undermine it.

Ms WEBB - Yes, it would also assist us with assessing how effective it is.

CHAIR - Any other questions?

Ms WEBB - At this present time, in terms of the regulatory and compliance regime across the state, how many poker machines are actually operating in the state at the moment of the 3521?

Mr FERGUSON - I can definitely provide that to the committee.

Ms WEBB - And in terms of those operating in the hotel and club environment and those operating in the casino environment?

Mr FERGUSON - I am advised the answer to the question is that EGMs data I have is as of 7 October, so I hope is considered contemporary:: casinos, 1185; hotels and clubs, 2300, *Spirit of Tasmania*, 36.

Ms WEBB - Those are the caps, or the number operating? The reason I am asking about operating, just to clarify, is that presumably, with social distancing requirements and things like that, we would have less than the full suite of machines that are in venues operating. I am interested to know how many machines are operating.

Mr FERGUSON - Ms Webb, those are the numbers I have provided to you. That is the level of knowledge that the commission and department have provided me with at this time. That is not to say that absolutely all those are active at any one time, because I cannot provide that information.

Ms WEBB - You just provided me with the number of poker machines in the state, which is fine. I am interested in how many are operating due to social distancing. Perhaps coming at that another way, probably the final question -

CHAIR - The advisers need to get to the other place.

Ms WEBB - Have any venues in the state extended their gaming areas since the reopening time, to maximise the ability to use poker machines, by spreading them out further?

Mr FERGUSON - My advice is that has not yet happened.

Ms WEBB - So whatever is operating is within the space that was already under -

Mr FERGUSON - That is my advice. I would not want the committee to think it is not possible that those discussions may well be happening, but it has not happened at this point in time, nor am I predicting that it will.

Ms WEBB - We hope that not all machines are currently operating, then, for social distancing purposes.

Output Group 3

Revenue, Superannuation and Regulatory Management Services

3.4 Office of the Superannuation Commission

Mr VALENTINE - Just a question with regard to the \$200 000 increase in the appropriation for the output compared to the forward Estimates provided in 2019-20, especially when it has gone from three commissioners down to one. It is \$80 000 per commissioner, so why the \$200 000 lift? It goes back down again in 2022-23. That is a bit odd. I am trying to understand why that is the case.

Mr FERGUSON - Would it suit the committee if I took that on notice, Mr Valentine?

Mr VALENTINE - You can take it on notice.

CHAIR - Unless there are urgent questions on that, we will close that, minister. I know it has been a bit of a rushed session trying to get through all these areas. I appreciate your time and that of your staff. We will take a 10 to 15 minute break to enable you to change teams and have a cup of tea in the anteroom.

The Committee suspended from 11.23 a.m. to 11.39 a.m.

DIVISION 11

Department of State Growth

Output Group 2

2.1 Infrastructure and Transport

CHAIR - Thank you, minister, for returning and for changing your team. Could you introduce the team for the benefit of Hansard and then I invite you to make a brief statement, if you wish to, related to this part of your Infrastructure and Transport portfolio.

Mr FERGUSON - Thank you, Chair, and good morning again to the members of the committee. I welcome Kim Evans, Secretary of the Department of State Growth, and Gary Swain, to my left, Deputy Secretary, Transport Services. I would like to share some overview points with the committee. It is a time when keeping our economy turning over and keeping Tasmanians in jobs is crucial. It has been quite significant that our infrastructure investment and maintenance program has been one sector that has been able to continue. It has been able to continue where many other sectors have had to stop or significantly alter their operations.

We know that ongoing investment into infrastructure is a key contributor to Tasmania's overall economic and social prosperity, and that is reflected in the State Budget with almost \$5 billion to be invested over the budget and forward estimates period. With the significant number of infrastructure projects progressing, in light of COVID-19 restrictions we believe this investment in building and construction will play a significant role in the state's economic recovery. Crucially, it also provides an important source of jobs during these times of uncertainty. To oversee this massive infrastructure program the government is enhancing the role and function of Infrastructure Tasmania - ITas.

ITas will now have an expanded role in the strategy, policy, and planning of infrastructure across government and, as well, an expanded role in priority project delivery. It will also have a new role in enhanced capital delivery capacity and monitoring, and supporting other agencies including offering a new service in project assurance. Since its inception in 2014, the core function and focus of ITas has moved from being solely transport infrastructure to include other projects such as the DEC redevelopment and NBL team, the Tamar Estuary Management Taskforce, the Bruny Island ferry service and the Hobart City Deal.

The Tasmanian Government, in partnership with the Commonwealth, is driving ahead with one of the most substantial capital investment programs in Tasmania's history. Effective planning for infrastructure, public transport, and traffic management will ensure our cities retain their mobility advantages to support business and economic growth, and will ensure our state continues to attract visitors and new residents. Originally, we had \$378 million on the table for our roads program in 2020-21 and in June, in response to the economic impact of COVID-19, we added an additional stimulus of \$74 million over two years.

This stimulus spending is, of course, part of our \$3.1 billion construction blitz to get cash flowing and reboot economic activity. This Budget, though, will deliver a \$485 million investment in our state roads across Tasmania. It is all about maintaining momentum and investing for growth and, of course, supporting jobs. This is part of the record \$2.38 billion total road and bridge funding currently planned through the budget and forward estimates.

Of course, as well as building our transport infrastructure, we need to ensure that users of the road network are able to travel safely. I will give a highlight from our Towards Zero Action Plan 2020-24. The action plan is the second under our Road Safety Strategy. It sets a target of reducing the number of serious injuries and deaths on our roads to fewer than 200 by 2026.

In summary, the Transport and Infrastructure portfolio continues to play a key role in looking after our economic recovery, growing Tasmanian jobs and providing essential services across the state. We have a larger number of initiatives currently underway. I know they will be of interest to members of the committee. They are planned across infrastructure, on our

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state roads, in passenger transport, registration and licensing, and road safety. I look forward to your questions and discussion.

CHAIR - Thank you, minister. We will go straight to 2. -

Ms WEBB - Can I ask an right to information - RTI - question at the start?

CHAIR - All right, yes.

Ms WEBB - They might want to take it on notice and it might not even be relevant. I am interested to know how many RTI requests were made in 2019-20 to this department or this part of the department and a comparison figure from 2018-19 for that.

Mr FERGUSON - Thanks, Ms Webb. I will ask the secretary to address RTIs.

Mr EVANS - As you will note from our annual report, we received 52 applications for assessed disclosure in 2019-20.

CHAIR - That is the 2019-20 financial year we are talking about?

Mr FERGUSON - Right.

Mr EVANS - I can give you last year up to March.

Ms WEBB - I just asked for 2019-20 and then a comparison figure from 2018-19 so I can understand.

Mr EVANS - There were 52 applications in 2019-20. We actually dealt with 57, but five of those related to requests to ministers and to Tourism Tasmania and both of those have been published in the Tourism Tasmanian annual report in the case of their RTI and in the Department of Justice annual report in regard to ministers' information. That related to 2019-20. In 2018-19 we received 37 RTIs, of which 33 were accepted for decision; applications decided in that year were 27; 14 were decided within 20 days, and 13 after 20 days. Of those applications after 20 days, two were agreed by agreement with the application and seven because they required third party consultation. Outcomes of the applications decided included seven referrals on the basis that the information was actively disclosed and six of which returned no information.

Ms WEBB - Do you have that same breakdown, because I have a series of questions here that relate to the 2019-20 RTIs. I can provide them to you to take on notice so we do not get too bogged down with them now.

Mr FERGUSON - We will only take them on notice unless we cannot answer them.

Ms WEBB - Okay, so of the 52 in 2019-20, what percentage were responded to within the statutory time frames?

Mr EVANS - Just bear with me for one moment.

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CHAIR - Do you want to go onto the next one?

Mr EVANS - I have the information I need.

Ms WEBB - The things I am interested to know are:

- the percentage responded to in the statutory time frames compared to 2018-19; the percentage of requests that were refused;
- what percentage of the refused requests were deemed refused due to failure to determine the request in a statutory time frame;
- what percentage of the refused requests were appealed to the Ombudsman;
- what percentage of the refused requests that were appealed to the Ombudsman were refusals due to not meeting the statutory time frame;
- in what percentage of appeals was the agency decision affirmed, varied or set aside; and
- how many staff in the department participated in RTI training in 2019-20 and the comparison the 2018-19 and a target figure for 2020-21?

Mr EVANS - I can find all that information; I just have not got it at my fingertips so I will try to get it.

CHAIR - By the end of the day would be great. Do you need it in writing or have you got all that?

Mr FERGUSON - We will be providing what we can in response. I am not sure if the percentages are calculated but we certainly have the numbers.

Ms WEBB - That would be fine.

Mr VALENTINE - The description in this Budget Paper is no different to last year, but we have between 410 per cent and 580 per cent difference in the appropriation between the two sets of Budget Papers over the forward Estimates as compared to last year's.

You might want to describe a bit in your opening statements exactly what that is for. It is a COVID-19 year, and I am assuming you want to provide stimulus. I am assuming that is what that 410 per cent - well, I am asking the question, what that huge lift is there.

A more important question is: if we are only spending 50 per cent, why provide such a huge amount in this appropriation, if at the end of the year, we end up spending 50 per cent of what is allocated?

Mr FERGUSON - The advice is that the accounting here is taking into account the significant funding for the Tamar Estuary Management Taskforce -TEMT. Can I invite the deputy secretary to add to that and outline in relation to the uplift, please?

Mr SWAIN - The base funding for ITas has been about \$800 000 for salary costs. That has not changed yet, with the Government's recent announcement yet to be factored in, because

that came after the Budget had been prepared. What has changed, though, during the year is the work around the Tamar Estuary, which was not fully developed and programmed in the last budget, but in this Budget has been, or in between, has been fully funded.

As you would be aware, the TEMT had a program of works that was originally, I think, about \$88 million, from memory. Then further work was done to shore up the potential costs of the capital works, which is about a dozen projects that all interrelate and go to the water quality in the Tamar Estuary. That has now been fully funded.

The other thing that has changed is the Derwent Entertainment Centre - DEC. That has come under ITas, but that, at the moment, is funded in Community Tasmania, although the management of that project is going to be under ITas, or has been to date and will continue to be. That money will likely transfer within-year, which is not shown here yet. Really this is still the base salaries, plus TEMT, I think.

Talking more broadly to the minister's opening remarks, with the change to the ITas roles, the idea is that projects that do not have perhaps a natural delivery home - because the agency they would go to, more than one agency would be involved, or that agency typically does not do a lot of capital delivery, and/or the project is bespoke in nature - those projects will come through to ITas, basically with agreement from the Premier and the minister. Project funding could actually change within-year as well.

Mr VALENTINE - What about the people on the ground who actually do the project management and all those sorts of things? They are not reflected in this, I presume?

Mr SWAIN - Not yet. What we are planning to do is some recruitment through January. That would initially take us - if you had three positions in ITas - that would take us to seven, plus the resourcing that would go to individual projects, which would be project-funded.

CHAIR - Out of what budget?

Mr SWAIN - Out of whatever project. The project budget for that project. For example, the DEC is currently funded through Community Tasmania, but that money, I would expect, could transfer in year two to ITas through State Growth for delivery.

Mr VALENTINE - You take the whole project amount and push it across?

Mr SWAIN - The idea is that the projects to come into ITas would be by exception. There wouldn't be many of them. The concept isn't an infrastructure department. It is two to four projects that don't neatly fit within existing delivery capacity.

What we have contemplated doing is effectively leveraging off the panel arrangements that sit in State Growth. We have a greatly expanded panel capacity which we put in place in the last 12 months, so we now have six areas under that panel, with four to six providers in each of those areas.

We will also sit a project manager in State Roads, whose work is redeployable without interrupting the program, so if a new project comes over, we can quickly deploy the project manager into ITas, and then leverage off the panel for existing capabilities while a project team

is put together. The idea is to get to project inception more quickly, because that is one area we are thinking about how a capital program can be delivered better.

One of the areas we are conscious of is that sometimes a project is announced in funding, but it takes a while to get the capability in place. We are looking into having a quicker mechanism for getting the capability in place.

Mr VALENTINE - That's fair enough. With each of these projects that are going up, and the ones that end up being implemented, as I say, it is only 50 per cent expenditure on what is actually provided. With each one of these that gets put into place, are you making a corresponding adjustment to your maintenance budgets to handle those infrastructure assets going forward, or not?

Mr FERGUSON - Agencies are required to do that process. Similarly, the agency - it might be education, it might be health - it certainly is the case with State Growth that we have to cost the depreciation, but I will voluntarily say that it has been underdone in the past.

Mr VALENTINE - It certainly has.

Mr FERGUSON - We have had a lot of discussions, the three of us on this side of the table, in my 15 to 16 months in this role, about lifting our maintenance budget, and we have done that in the next budget.

Mr VALENTINE - It makes a significant difference, doesn't it?

Mr FERGUSON - It is also very timely, because we are able to help people get work rapidly, because we have the existing panels and we are able to shift some program funding into maintenance and actually get some roads sealed that hadn't been sealed, and we also did some maintenance, which was perhaps brought forward, and look, it is fair to say in some cases it has been underdone.

Mr VALENTINE - When you say it has been underdone, do you have any tables of information that show us what the backlog is in terms of those items that have fallen due and should be done, but can't be done because there aren't the resources or the people to do it?

Mr FERGUSON - I may ask the secretary to add to this, but what I am saying is that maintenance is something that can be deferred.

Mr VALENTINE - I appreciate that.

Mr FERGUSON - It can't be deferred forever, but we have actually brought some forward. The ones that spring to mind would be Waterhouse Road and the second part of the Prossers Forest Road, which hadn't been sealed but needed to be.

Mr VALENTINE - Could you give us an indication as to how many items are on that list, and how badly we are behind the eight ball in terms of that?

Mr SWAIN - We are doing some work in that space now. We did a lot of work in about 2014-15 in relation to this. As the minister says, since that time, particularly in the last two or three years when we have been focusing on this issue a little more earnestly, whenever there

has been an opportunity to do periodic maintenance works - particularly if there is any stimulus funding or additional capital funding - we proposed maintenance activity, and we have done quite a bit of work in the last two years.

In addition, a lot of the capital program itself changes the future period maintenance tasks. The most obvious example is the Midlands Highway. Originally, that was substantially behind in terms of periodic maintenance, and we were heading for a significantly lower level of service to road users, but total replacement has materially changed that task.

With the extent of capital works happening all around the state at the moment, and what is foreshadowed, we now have to re-look at what the residual gap is. But what we can say is we have been closing the gap over the last two or three years, and the capital program set out over the forward Estimates will further close it, what we have not got yet is what the residual will be.

Mr VALENTINE - There are some major items that simply cannot be put off, like the Tasman Bridge. What is the situation there? Has this been fully assessed as to its remaining life as to any maintenance required? There are some upgrade components to do with cycle ways and all those sorts of things, pedestrian access, but I do not know what else.

Mr FERGUSON - The bridge itself - again, I am happy to have the deputy secretary jump in as well - and the pavement surfaces were being upgraded even before the Budget. We have done a lot of work on the Tasman Bridge, inspired by the outset by the risk mitigation work we have been wanting to do there. We are deliberately careful in our choice in how we discuss the project. Dealing with that has been the impetus for a lot more work that emerged. We received some specialist engineering advice that before we could build those additional walk ways, cycle ways we needed to provide some bridge strengthening works. This is part of the journey of how we eventually landed at the total project cost of \$130 million and very thankfully the federal government has funded half of it.

Mr VALENTINE - What is the remaining lifespan of the bridge?

Mr FERGUSON - The bridge itself - with the Budget in front of us, its lifespan will be taken out to 2070.

Mr VALENTINE - Making provision for replacement for that at some point, how are you approaching that?

Mr FERGUSON - Not at this stage - 2070 is a deliberate outcome of the Budget to extend the life of the bridge. The task in front of the state at the moment is to do the bridge-strengthening and the pavement work for cyclists and pedestrians to make it safe and to make also ensure the overall structure is actually stronger and has a longer life out to 2070. Perhaps once that project is completed, future generations of politicians can start thinking about how they might replace the bridge post-2070.

CHAIR - We will not be here then.

Mr VALENTINE - Well, I won't be; I don't think I will be.

Mr FERGUSON - I would like to make sure the answer is rounded out.

Mr SWAIN - An extra 50 years is the expected life of the bridge. One thing to note is we have been talking informally with the Commonwealth about that funding for some period of time.

Mr VALENTINE - Sorry, the work that is about to -

Mr SWAIN - The \$130 million - it did not neatly fit into one of the boxes, so having got it half-funded by the Commonwealth is a very good outcome for Tasmania.

Turning now more generally to just maintenance, we spend about \$75 million over a year on maintenance. Of that, about \$20 million is routine maintenance; \$16 million to 17 million is pavement resurfacing, which is just the top layer to extend the life of the pavement; bridge maintenance - we spend about \$7 million, which is about 9 per cent just under 10 per cent; bridge renewals, we spend about \$1 million; and pavement renewals, we are spending about \$1 million. That balance changes year to year based on need, but we do have some capacity to move it around. We have actually tried a new form of contract in the north-west, which is more an outcomes-based contract, which gives more capacity again for the contractor to shift expenditure to meet outcomes. I did not want to leave you with the impression there is not substantial maintenance activity every year, but the periodic maintenance has traditionally been the bit that has been most challenging to fund.

In relation to COVID-19 expenditure and, particularly, where a project overlaps with safety, the quickest project to roll-out the door is one that does not require a design. So, when we do have opportunities, we look to put money, as the minister was saying, into the renewal aspect, particularly road pavement. Major bridges are regularly inspected and that work does not get deferred, but where we do have more discretion is in the treatment of pavements and effectively we are taking every opportunity to lessen that when renewal gap.

Ms LOVELL - On the bridge -

CHAIR - Just on that point - sorry, Sarah.

Ms LOVELL - On the bridge, but if I am still going on this point - a follow-up question on the lifespan of the bridge. I am not an engineer but it is my understanding that it hasn't gone out to tender and the design has not been finalised yet. That sort of expectation around the lifespan, would that be a requirement of that project? Is that something that can be determined before a design has been accepted and agreed to, or will that be part of that process is that the requirement will be that it extends the lifespan by that?

Mr SWAIN - There is an Australian standard for bridge design which would envisage that lifespan, so it would be to Australian Standards. Any project that we do which has Australian Government funding in it typically operates under the Austroads standards and there is an Austroads standard for bridge design.

Mr FERGUSON - I wouldn't want to be the politicians of the 2060s to have to quote me here, but it's -

Mr VALENTINE - They might look back in *Hansard*. You never know.

Mr FERGUSON - They probably wouldn't, but I hope they do. It is not implausible that as even the 2070 date approaches that some other information comes forward or bridge life could be extended even further. It is not for us to know, but this is on the advice that we have taken to date, that we have been quite transparent about.

These works would enable the bridge life to be extended to 2070. I think if I can say within this environment that it's a necessary precondition as well for the extra work that we really want to do to link up our cycleways and walkways and to provide a better experience for people - pedestrians and cyclists - on the existing walkways, which are really not walkways at all - they were built only for maintenance but they have been double-purposed for pedestrian use. We can do a much better job but we do need to do the bridge-strengthening work first.

Mr VALENTINE - I am interested when I read the outline on page 314, some of the services you provide, the provision of advice on a range of infrastructure-related issues and initiatives. I am interested in how much interaction you are having with local government these days in terms of coordination of work that is happening so that you don't have one sphere of government doing some work and then another sphere of government is coming in over the top and basically doing incursions into the work that has just been done.

You know, telecommunications companies coming in and digging up footpaths that have just been laid - they're the sorts of problems that local government has - but what sort of interaction are you having with local government on their needs and has anything been provided to any local government area that is significant that you can talk about?

Mr FERGUSON - We are getting better at that. The point you have just made is valid and both the Launceston and the Hobart city deals point to a greater level of involvement working between the state and the local councils but, also, there is a far better - a far more mature - working arrangement that we have, even outside the city deals. I might ask the deputy secretary to respond.

Mr VALENTINE - I'm really getting at stuff that is -

Mr FERGUSON - On a daily working basis - well, maybe not daily but on an ongoing basis - council engineers and their contractors are working in better with our State Roads team.

Mr SWAIN - There's a couple of fronts there. Generally, we have done a lot of corridor planning in the last two years, so most of that corridor work is now behind us, but that is really important because typically local government will be involved in that from the get-go from when projects are being designed-up and scoped.

The city deals - , it is very extensive so the Launceston Transport Vision has been a really collaborative process where the Launceston council has really led it and we have supported. There is the Hobart City Deal - there's a whole series of working groups. There is a housing and transport steering committee which I chair so that's meeting very regularly. I think in general -

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Mr VALENTINE - Things like crossings, road humps, traffic lights and all those sorts of general things that happen, what is the communication like on that level? The general things. I realise the Hobart City Deal is on foot, I appreciate that.

Mr SWAIN - Generally, there is a lot of interaction at multiple levels across all that activity. I was going to go on to talk about road safety, where we are working a lot more with local government.

CHAIR - We might save that for 2.2.

Mr SWAIN - We interact with local government at a technical. strategic project planning level.

Mr VALENTINE - You still hold the approval process for traffic lights, for instance. Is that now with local government?

Mr SWAIN - We have devolved some things where there is no real need for consistency. But where there is a need for consistency, that still sits with the department or the state Government. We changed the arrangements for some of the crossings and raised traffic-calming devices which originally had to all come through for approval. Some of those things now, as long as you are in line with the Australian standard, they are fine. Speed is still administered through the Transport Commission.

CHAIR - We can do these traffic and road safety management under 2.2. Let us stick with Infrastructure Tasmania at the moment.

Mr VALENTINE - When a council, Hobart City Council, for instance, put in a request through the Premier for some assistance with the mountain road - have you seen that?

Mr SWAIN - Well, it is the Hobart City Council's responsibility.

Mr VALENTINE - No, no, I am just saying it is a request they put in to the Premier.

CHAIR - Is there a role for Infrastructure Tasmania in that - that is the question.

Mr VALENTINE - Does it come back to you? It should come back to you, for consideration - has that happened?

Mr SWAIN - It has, inasmuch as I have had an approach for state investment on that road. We advised that it was the council's responsibility to manage its road asset.

Mr VALENTINE - Even though it is a major tourism state?

Mr FERGUSON - Indeed, and every council will be able to make the same case actually. It is not nice to say no to people at times, but we are making major investments in the roads that are within our responsibility.

Mr VALENTINE - I think one of the others was the Hobart Aquatic Centre.

CHAIR - We can deal with some of these specific things under the capital investment program perhaps.

Mr FERGUSON - I am not trying to be difficult about it, but we also have significant opportunity for councils where they might not have the cashflow to fund their investments up-front, and we would be able to lend them the money at no interest.

Mr VALENTINE - The upgrade of the aquatic centre was another. Yes, it is those sorts of things. I am just wondering whether you have a bucket of money, if you like, that sits there to address major council issues as opposed to minor ones.

Mr FERGUSON - Well, as a matter of fact I was about to say we do, but it is more of a minor nature. I am happy to discuss that at a later output as well.

Mr VALENTINE - Are you able to give us a list of councils that have funding from that allocation?

Mr FERGUSON - Absolutely, yes.

CHAIR - Before the end of the day, minister?

Mr FERGUSON - I will have it to you before lunch. I am sure I have seen it so we can do that, yes.

CHAIR - Under this output group, minister, in performance information, on page 315 -
reviews requested by Government completed by Infrastructure Tasmania
within the required timeframes ...

The actual for this year was only 67 per cent, when your target is 100 per cent, and has been 100 per cent in other years. A footnote says -

proposals are publicly-funded major economic infrastructure proposals.
Timeframes will be developed on a case by case basis and documented in
Infrastructure Tasmania's yearly work program.

Can you explain why there has been a bit of a decline in performance there?

Mr FERGUSON - The number is a clue to what is happening here; it is 67 per cent, which is two-thirds. Two out of three of the priority tasks have been completed within required timeframes. Actually, I would almost say that could have been 100, because the Government instructed ITas to review the 30-year infrastructure strategy. That is the outlying piece of work. The Government instructed ITas that we would not be finalising that, because it was actually coming to maturity right at the height of the pandemic. It was one of the projects that was specifically put on hold because it had no bearing on immediate investment priorities.

CHAIR - What were the other two that were dealt with in the year?

PUBLIC

Mr FERGUSON - The Infrastructure Australia priority list has been met, and the 10-year pipeline document was achieved.

Mr SWAIN - The 10-year pipeline is typically two months after Budget. It is basically about to hit the minister's desk but we will secure it in advance - sorry, I am in the wrong year. It was delivered in August last year.

Mr FERGUSON - And the next one will be completed within two months of this Budget.

CHAIR - Before we go on, there is always a bit of shuffling of deck chairs and I don't think this is related necessarily to ministerial portfolio responsibilities, although maybe it is. However, last year we had infrastructure strategy; that no longer appears here at all. I am not sure where it is? Land transport - I assume that is now Output Group 2.2 and what would have been under there is now under 2.2? Could you confirm that? Passenger transport is now 2.3 and traffic management and engineering services has disappeared. Is that in the new 2.2? No explanation is provided in the accounts. You can't report easily on things that aren't there.

Mr FERGUSON - It's all there.

CHAIR - But where are they? That is the question.

Mr FERGUSON - The output groups have been updated and it is fair to say they needed to be.

Mr SWAIN - Infrastructure Strategy is now in 2.1 and that shuffles the other numbers forward by one. The other one you mentioned, traffic engineering, is now in the CIP, in the capital program.

CHAIR - Is that only capital works that was ever referring to?

Mr SWAIN - It refers to a few people in the State Roads Division. Their advice goes primarily to the delivery of capital projects, but not exclusively. At times it has needed to be supplemented out of the CIP, depending on the demand, based on project work.

CHAIR - This is where a lot of the project work is funded from? Is that what you are saying?

Mr SWAIN - No, I'm saying that some of the engineering services go to capital project delivery. Rather than have it stand out alone, it has been put into the CIP which is where most of the services go to. The other ones you mentioned were the bus services, where you might recall from previous years, I hope I get this right -.

CHAIR - We had Metro.

Mr SWAIN - There was an overspend in General Access relative to school bus services and every year there was a true-up between the two. The split between GA and school bus services was confusing and we have tried to clean that all up, so all the GA are now in one place and all the school services are in one place. We used to have school day only GA under

GA admin items and now it is just GA and school bus to try to make it clearer. The dollar values have been adjusted to reflect what the actual spend has been probably for 5 to 10 years.

CHAIR - Just before we move off that - looking at the Budget in the last year and then Infrastructure Strategy, which is now with Infrastructure Tasmania. It seems that the Budget allocation is less, combined this year and forward, than what it would have been with the two-line items. This is last year's budget. Infrastructure Tasmania and Infrastructure Strategy are now combined and are now in the one-line item which is Infrastructure Tasmania.

Mr SWAIN - Yes, so hasn't been any efficiency dividend as you know with that being suspended on COVID-19, so there is no reduction in resources. I haven't done the maths on that in detail but there should be no reduction.

CHAIR - It appears there is.

Mr SWAIN - Sorry, minister, I need to correct the previous answer I gave. That would be part of the uplift of expenditure under ITas, which was flagged with the previous question from the member. We will what was effectively that policy team that was separately accounted for now put together with ITas as well as the [inaudible] spending.

CHAIR - You have gone from three staff in ITas, is that right?

Mr SWAIN - Three funded positions. We haven't always had them filled and will be going to seven.

CHAIR - Seven permanent staff.

Mr SWAIN - Yes, that is a decision of the Government. It has happened after the Budget was finalised, so it is not reflected in the Budget.

CHAIR - It is not reflected in the Budget?

Mr SWAIN - No, what we have taken is a policy team that was separate who were the people who supported infrastructure strategy, have come into ITas. There has not been any decrease to them, plus we have had the three positions. One of them, the CEO has effectively sat with me for most of the year and then as you know Allan Garcia retired during the year. We had another position unfilled and then that position was not filled just as we worked through the future role of Infrastructure Tasmania and put some advice to the Government. We will now need to expand the resourcing for ITas to fulfil the role it has just been given by the Government.

CHAIR - Next year we will expect to see a much higher appropriation to cover the funding costs of those additional people.

Mr FERGUSON - Correct.

CHAIR - There will be a foot note to describe that won't there.

Mr FERGUSON - We will make a note of that, I promise to do that.

Mr SWAIN - So there will be some additional salaries and consultancy budgets to cover the assurance function in particular the minister mentioned in his opening remark.

CHAIR - How much has been paid to consultants in the last 12 months in this area, in the last financial year at least?

Mr FERGUSON - Through ITas?

Ms WEBB - Yes, through the ITas line item, which would include infrastructure strategy now.

Mr SWAIN - I am not sure we have that separately broken out.

Mr FERGUSON - We can get it.

CHAIR - I assume also travel costs, I assume COVID 19 has probably put a bit of a dent in the travel costs one would expect. If we could get the travel costs and the consultant costs, I am happy to have that later today or whenever you can.

Mr SWAIN - The main one I can think of is Ernst and Young work that supported the draft 30-year strategy, but I would have check on the Infrastructure Strategy Group which has been managing some other things like heritage rail and I am not sure if it has done any consultancy.

CHAIR - If we can get that on notice today.

Mr FERGUSON - We will get it today.

Mr EVANS - We actually have all that information, but it is bulked up with the department.

Mr VALENTINE - I just want to get a list of the bridge renewal program.

CHAIR - We will come back to that under capital investment program, that is later.

Output Group 2

Infrastructure and Transport Services

2.2 Road User Services -

Ms LOVELL - Minister, you touched on this in your opening statement and obviously I am sure other members will have questions about safety on the roads. The latest accident over the weekend brings our road toll for 2020 to 33 deaths so far. I am sure all of our thoughts are with the family of that most recent person and all the families of those who have lost loved ones on our roads over the last year. It is concerning this is higher than the total death toll for 2019, which was 29, and 2018, which was 32 for the entire year.

My question is particularly in light of the fact we had COVID-19 this year when we had limited movement around the state and probably ideally would have expected a lower road toll

with less movement around the state. There are only modest increases in funding over the forward Estimates on this line item for Road User Services. We have spoken and you have touched on your Towards Zero road safety strategy with the target of serious injuries and death fewer than 200. How will we achieve that target and how will we improve safety on the roads with such a modest increase in funding across the forward Estimates?

Mr FERGUSON - Thank you, Ms Lovell, and thank you for saying that the way you did because I totally agree - any death on the road is a tragedy. Not just for the individual, the family, but the repercussions are very wide-reaching. I can talk about statistics, but I know that is not what you are asking about. Unfortunately, it is the case by far and away the majority of deaths and serious injuries on our road are preventable. Without wanting to sound judgmental, it is a simple fact most of those injuries and deaths would have been avoided if a particular risk factor had been eliminated, and that is nearly always human behaviour. What we are doing in response is with our action plan and our strategy by working very much hand-in-glove with the Road Safety Advisory Council, our go-to resource for government policy on what should be our priorities.

We have significant budget set aside specifically for a range of initiatives under that action plan, some of which has to do with better infrastructure, some of which has to do with advertising key messages and reinforcing what we have all been grown up to believe about human behaviour dealing with the fatal five. We have had a bad year and we are having a bad year. To today's date, we have recorded 33 fatalities and 233 serious injuries, which is an increase compared to last year when, in the entirety of last year, 29 people were killed.

You are quite right to point out that during COVID-19, there was a significant reduction of the use of our roads. However, we have had about - and I will ask the deputy secretary to correct this if it is not quite right - the advice has been the number of crashes is about the same but the severity of them has been greater and we have had two crashes with triple fatalities. It is not good talking about luck or unlucky; it's just the fact some very hard to explain crashes have occurred and people are at a loss to explain why certain things happen.

It would be unfair for me to pick out any particular cases, but there have been some that have been just very sad and tragic. Let's come back to the policy response and, Gary, if you could also support us with data on what we're doing, particularly with the uplift in advertising.

Mr SWAIN - First the statistics, last year was a significant improvement and about 11 per cent better than the year before. The increases this year have kind of taken us back to where we were two years ago but, nevertheless, with the decrease of activity on the road you would hope to be further ahead than that. As the minister points out, there have been some particularly bad fatalities and some multiple fatalities that have featured highly in the statistics.

Under the action plan, there's a \$75 million expenditure over five years and that reflects that a couple of years ago the Government made a decision to lock in CPI increases to the levy, so the level of funding in the levy is staying constant in real terms. More importantly than that is it is dependable, so it's there no matter where the budget cycle is. Like other expenditure, if it is underspent in one year, it can be put into a trust account and then spent in the next year.

About \$50 million of the \$75 million will go into infrastructure treatments like the sort of things you've seen on the Midlands Highway - the central dividing strips, the wider

shoulders, the mass treatments around double strips and so on. We are hoping these will bring down statistics on average over time, but will be a longer term effect.

There is also a whole series of marketing and education campaigns going on. It is hard to know whether they're having the same effect they would in a normal year, but what we do know from the work we've done previously - particularly through CASA - is that they're a component of an effective strategy so, it's hard to isolate their impact from other things like enforcement.

In the action plan there are six key themes - making our roads safer, improving safety in terms of city, saving young lives, encouraging safer road use, making visitors safer and improving safety through vehicles and technology. In the long term, the great hope in road safety around the country is that technology will be a big part of the solution, both in terms of vehicles, I guess, mitigating some of the driver behaviour or creating warnings to drivers. As one of our team said to me some time ago, road safety is a bit unusual because people are making repeat decisions in different circumstances all the time. A safe driver can be safe 98 per cent of the time, but 2 per cent of the time, under particular stimuli, would be less safe. Technology is helping with that. You now get prompts from the vehicle to remind you to stay in the boundaries of behaviour.

CHAIR - Have a break.

Mr SWAIN - Yes, have a break. Technology can help with some of the key issues like the head on hits and running off road. It tells you if you are out of line -

Ms LOVELL - My car has all these warning things -

Mr SWAIN - which sometimes can be frustrating, but hopefully it will have a -

CHAIR - Particularly if you have lots of lines on the road, it wants to push between all of them. You think something is wrong with your steering.

Mr SWAIN - We are, unfortunately, not the only jurisdiction that has seen some statistics go the wrong way. I am not really sure why, but Queensland and Tasmania seem to move together and we are both moving against trend. But nationally, even though some other jurisdictions have seen decreases this year, we are still not making as much progress as people would like. I guess there may be an element of low-hanging fruit, but if you look at the statistics for the last 30 years, there have been dramatic improvements in road safety since the mid-1970s and we are getting to the part where it is harder and harder.

The other component that is really important is driver training. We are doing a lot of work around the graduated licensing system and arrangements to get people on the road in the safest way possible when they start driving. We have gone from a position where Tasmania was a little bit behind where we could have been on the GLS arrangements to now, we have a really robust package of arrangements. There are 42 specific actions in the implementation plan. We are targeting all the levers. It is all evidence-based, based on what is done by CASA, which is the leading safety research institute in Australia. There is independent expert advice on the council. The council is full of passionate members, but there is more to do.

PUBLIC

CHAIR - Can I just ask if you are aware what are the - this may be a police question rather than you guys - key causes? Is there a trend in the causes of these crashes?

Mr SWAIN - This year specifically?

CHAIR - Yes. Well, obviously trends are longer than a year. But I would be interested in this year if there has been evidence that there are particular issues, like inattention or speeding or whatever.

Mr FERGUSON - The answer is yes. I will just present to the committee so that you can have it, but it has been available. The fatal five is very clear and it has been consistent advice from the Road Safety Advisory Council. The fatal five: the worst being speed, the second being alcohol or drugs, equal next distraction/inattention, the next being seatbelt at nine per cent, and 4 per cent being fatigue. They are considered the fatal five.

I do not want to dwell on this, but I would like to say that we have seen one tragedy this year, which resulted in people losing their lives, where there was a head-on collision. This was in a section of the Midland Highway which is not yet separated by a wire rope safety barrier. It is another illustration of the need for those kinds of investments. As we progress through that action plan, it is crashes like that one, that would have still occurred as a crash, but may just have resulted in a better outcome.

CHAIR - I will testament to that, minister, we had a car hit the wire barrier heading straight at us on the Midland Highway just recently.

Ms LOVELL - We have heard about the driver training programs, and additional requirements around training. This might be going off topic and maybe not your remit, but what consideration and what consultation is done to ensure that there is adequate support for members of the community who might not have the resources to undergo all the training that is required? We want people to be safe on the road, but if people are not able to get their licence because they are not financially supported to do that, that impacts on their ability to work or study and lots of other aspects of their life. It might be cross-agency collaboration, I suppose.

Mr FERGUSON - It is really this agency and you are spot on to bring it to our attention in this output. The thing is that the graduated licensing system is a barrier to getting your driver licence. It is designed to be a barrier, and it is an unfortunate fact of life that government has needed to do that for many years. Perhaps when you yourself got your licence, it was far less onerous than it is now.

We recognise that with the increase in the number of hours that young people and even adult learners are expected to spend with a supervising driver, it has always been the case, but as we now move to different arrangements to help us be nationally competitive in terms of the safety rating, we also accept that we needed to find other offsets to removing some of those barriers.

Without being exhaustive about it, one of the barriers that has been removed is cost. We are making it less expensive. During the period of going from a new learner right through to being a fully licensed driver will be \$189 less expensive. That is one thing we have done.

We have also provided that if you attend the Rotary Youth Driver Awareness course, you get a five-hour credit for it. We have also provided that for every professionally guided driving lesson you have - up to 10 - we will count that as two for one. So one hour with a professional driving instructor will count as two hours towards your 80, because we want to try to provide people with a further reason that it would be a good thing to have professional input into the development of good habits.

The best thing we are able to do for people who don't have someone in the family as a fully licensed driver, or the wherewithal to have a car, is putting our resource into the Learner Driver Mentor Program. That is worth \$1 million a year, I think. We have been rolling that out and extending it so it is available. I think I met you at Bucaan House.

Ms LOVELL - I didn't make it to that one, but yes I did see that.

Mr FERGUSON - Rolling out that program, and I know that you and others would support them. It has been a real godsend. It does rely on the goodwill of volunteers, but it is further support that the Government, working with many of the neighbourhood houses, is a way to help young people to get that start

I failed to mention, and I will mention briefly, we are paying for some driver lessons as well. The state has never done this before. The federal government has been. They have been providing Keys2drive for one free lesson, to try to start a relationship between a learner and an instructor, so we are going to come in and meet that and do one extra lesson as well. Young people will have two free lessons to get them off and running at their learner stage.

It is a demonstration that we are all trying to do everything we can. We accept there are barriers to getting your full licence, but we need to be finding creative ways to help people who need that extra support to get it, and get them to value those hours behind the car, and more hours in more conditions - and also, I don't like to say it, encouraging people who are illegally driving without a licence to go and get their licence and this is how they can do it.

Ms WEBB - Those two free lessons, one from federal government and one from the state - does that apply to adult learners as well as young people?

Mr FERGUSON - It does. For any learner driver.

Mr VALENTINE - Are Kim Smith's video presentations being incorporated in any way, shape or form in the learning space?

Mr FERGUSON - Sounds like the answer is yes. Chair, could I invite to the table my subject expert?

Mr VALENTINE - From what I have seen, it is a great initiative, and it would certainly assist people who find it difficult.

Mr FERGUSON - I will introduce, to the table and the Committee, Mr Martin Crane, General Manager Road User Services.

Mr CRANE - The Kim Smith videos that come out of Moonah Community House are an excellent collaboration. We have worked closely with Kim. Our driver assessors were

involved in their development, and a private enterprise developed them. They are of an excellent standard. We have also put them into voiceovers in three or four other languages to help with the Migrant Resource Centre.

We have also, as an aside, provided a few extra laptops at the Migrant Resource Centre. As part of the package to support people, we are developing a new online platform that will enable people to get their road rules knowledge, and that is working.

We will best be able to use those videos as part of that package coming forward, but it is certainly a great example of a collaboration between community, state and private enterprise to produce a world-class quality product.

Mr VALENTINE - He is a retired police officer.

Mr CRANE - I would just like to add that Kim Smith's effort with that has been sensational. He has also toured the state and provided a lot of support to organisations that are helping people get into licensing, and he has been a great advocate for road safety.

Mr VALENTINE - Yes. Good.

CHAIR - Minister, looking at the performance information, you talked about unlicensed drivers. Obviously they are a potential danger, but so are unregistered vehicles.

I notice that the Motor Registry system availability of vehicles found to be unregistered, of those checked - and the figure is unavailable because there are changes in the service delivery. Can you just expand on that? As I understood it, this is a very useful tool for police to have to enable them to identify unregistered vehicles on the road.

Mr CRANE - The ANPR statistics provided in the annual report were actually developed through a program run by State Growth. We had one particular staff member touring the state by themselves checking where the ANPR captures. He has since retired, but we want to use the police capability in this area and that has been part of the transition to that program. We work closely with the MAIB.

That program was very effective and quite groundbreaking at the time, but it is also quite an expensive way to check unregistered vehicles on the road. We had 140 000 captures one year and we issued 880 letters, so per letter of reminder - and that's just a reminder letter to someone regarding their unregistered state. Part of our view is to continue to work with police on technology around cameras to get captures. We have had a bit of distraction this year, unfortunately, and their focus has been on other things.

But the other thing we're doing is working closing with MAIB. They will be providing some advice to the minister next year around how we support people through SMS reminders for registration, moving into a more digital support service. We do this now, we do provide SMS reminders to people who have provided us their mobile phone numbers, but we want to create a far more supportive model where you can actually get an SMS reminder prior to the renewal date and closer to the time.

As you realise, at the moment we deliver our paper-based renewal notice usually six weeks beforehand. We believe that an SMS reminder two or three days with a link to your

bank account will certainly assist those people who live busy lives to remember to do that. That's certainly part of the strategy around managing unregistered vehicles on our roads, but we -

CHAIR - Some people don't register them because they can't afford to.

Ms WEBB - Can I ask a quick follow-up question on that?

CHAIR - Yes.

Ms WEBB - In terms of the 800 letters you sent out from the previous scheme with capturing the pictures, do you have a metric on the response rate to that? How many of the 800 translated then into registrations being -

Mr CRANE - Yes, it was in the 80 per cent range.

Ms WEBB - Right.

Mr CRANE - Yes, so it is effective in that sense. We do also send out a 21 day reminder letter to everyone whose vehicle is unregistered. We provide a renewal notice, and then at 21 days we provide a follow-up letter, which also gives us a lift in registration renewals, but today with busy lives, I think expectations from our clients, our customers, Tasmanians, are that an SMS service would be useful for them.

CHAIR - Any other questions on this output group? No? We will move then to 2.3, Passenger Transport.

Output Group 2 Infrastructure and Transport Services

2.3 Passenger Transport -

Ms WEBB - I'm looking on page 315 at the description around passenger transport and noting the range of things included in that. I wonder if you could talk me through, in terms of the allocation that is made to passenger transport, how the balance fits across those different roles and elements in that area to support efficient, equitable, appropriate member of people, administration of targeted transport assistance scheme, subsidies for students, the unemployed, aged pensioner and persons living with a disability. Can you explain maybe using those three dot points on page 315 how that funding allocation is spread across those?

Mr CRANE - We have a number of teams within passenger transport services, a team of around 12 people that looks after the contract management side for all of the general access and school bus services. We are evolving and developing more new support in the passenger transport area. Aligning with that part we also have a team that looks after the customer experience. This is a new part of our growth because we are very strongly trying to help people shift from cars onto buses and need to make sure that customer experience and the information is available to people, so there is a small team in that area.

PUBLIC

Ms WEBB - Can you describe more about what that team is doing, if that is a new team and their new activities they are undertaking?

Mr CRANE - Certainly. For example, the rollout in the north-west that will happen in January was delayed due to COVID-19 this year. That team is supporting with the information available to all the residents in the north-west on that particular area. Recently, we did some work with the Hobart Bus Mall. This related to the changes to the network, providing updated timetables and information and how we present that and how put the information on our website. All those things are able to provide greater access to information regarding public transport. Obviously, it is a new unit and will evolve, and we are hoping as we get more technology available and information, that we will be able to push out to people. We are really trying to start the position of supporting people to shift from their car onto buses.

Ms WEBB - Alongside the activities of that team, are you putting in place technology solutions and things like that for providing more up-to-date and current information about public transport options and other transport options?

Mr CRANE - The Government has a commitment around Metro and common ticketing. That particular process is underway with a request for an expression of interest and that process may deliver some of those opportunities for us.

Ms WEBB - Where does that process fit in the budgeting allocations then, what line item would that be captured by?

Mr SWAIN - Common ticketing was an equity transfer to Metro.

Mr FERGUSON - Metro. We are not going to say much we can talk about the project goals for sure.

Mr CRANE - And the opportunities that may provide.

Ms WEBB - And so the customer experience team you have just described relates to the third dot point down, page 315, implementation of initiatives to support the uptake of passenger transport?

Mr CRANE - Yes, that is correct, and we have some people in that area recently. We are in the process of recruiting someone to look after the tax reform package we have just passed with legislation, so we have an implementation person. There is also a team of seven people which looks after concessions, regulations, and accreditation which looks after the Transport Access Scheme. There is also a network planning team as obviously we spend a fair bit of time working closely recently with councils and others on how the bus network operates to make it as efficient as possible. That is the major focus of the teams. There are 29.

Ms WEBB - There are 29 in total. In terms of performance indicators with this line item, are there any in this performance information table that relate to this, or do you have other measure that you use?

Mr CRANE - There are a couple down the bottom of page 315, which are accessible taxis.

PUBLIC

Ms WEBB - Okay, so that is regarded as being a performance measure to this?

Mr CRANE - Yes, certainly, access to wheelchair accessible taxis is important.

Ms WEBB - That seems to have dropped to some extent?

Mr CRANE - A little bit in the last period of time, but with the recent taxi reform legislation there are opportunities to support what taxis, and also increase the age of taxis, that are eligible to operate.

CHAIR - It is a bit of a problem in the north-west.

Ms WEBB - I was going to ask: what regions are most hit by that?

Mr CRANE - There has been a longstanding issue in Burnie particularly, around wheelchair accessible taxis.

Ms WEBB - There aren't any.

Mr CRANE - There aren't any. I also would point out that wheelchair accessible taxis are very low cost to get in; it is just the decision in that community that people have not decided to take up the opportunity to operate a wheelchair accessible taxi in Burnie.

Ms WEBB - There has not been an incentive provided or some sort of proactive measure to bring that about?

Mr CRANE - There is not at this stage, no.

Ms WEBB - How is need measured or determined in terms of different regions, different areas, and whether they are served adequately by the allocation of wheelchair accessible taxis?

Mr CRANE - At a very crude level, need is determined by consumer feedback, which we monitor very carefully around the wait times people may experience and the concerns they may have that go through the operator rooms. It is done at that level.

Of course, we would also provide the Taxi Subsidy Scheme as well.

Ms WEBB - Are there metrics on that available?

Mr CRANE - This is a scheme that enables us to provide, for people with permanent disability up to 50 per cent of their taxi charge. We use a card for that. We spend about \$500 000 a month on the taxi scheme at the moment.

Ms WEBB - Is that projected to continue into this next budget time and across forward Estimates, or because NDIS is expected to retreat?

Mr SWAIN - It remains. The NDIS has not taken over those functions, as you are probably aware. We are operating under the existing taxi subsidy arrangement until it triggers, and then there will be a safety net transition arrangement that phases out state support, which

is sort of contemplating that there will be some issues on the transition, so some extra state support might be needed in the first year or two or the NDIS making some arrangements for it.

Ms WEBB - When is the timing of that transition?

Mr SWAIN - We have arrangements up to 2023.

Ms WEBB - There is our cliff and we will have a look at it when we get there, I guess.

I wanted to pick up on something that was discussed in Estimates last year, I think it is in relation to this area. It is to do with the disparity between cost for people living on the urban fringe compared to rural areas, and the fact that people in rural areas who may be on concessions of some sort - adult students or adults who are on concession cards - their fares, say, coming to the city are significantly higher than the capped fares for people who are living in urban areas. I know you received a very thorough question about this in Estimates last year. It is worth revisiting where we are at with that.

I think last year there was a commitment to put forward some principles around equitable access to fixed fares and I wondered where we are at, given that, with our COVID-19 situation and a lot of people impacted with their incomes and job situations, employment situations, we certainly want people to be able to move between, say, rural areas into the city for work or for training or for whatever it might be. Could you comment on that this year as an update on the question that you took last year about that? Now, I have a lot of detail about amounts of money it cost -

CHAIR - What is the question please?

Ms WEBB - I am looking for an update on that. I was not going to go into the detail.

Mr SWAIN - I am looking for the brief, which I am not finding, but I can make some general comments while I look. This year there was going to be a scheduled increase in student fares that has been deferred on the basis of COVID-19. The underlying policy around free rural services versus paying services has not changed

Ms WEBB - I am not talking about students. I am talking about adult concession holders. Some of them are adult students so therefore they have might have other sorts of concessions. Adult fare payers who are on those concessions in an urban fringe area have a daily cap on their Greencard and they can go a certain distance with that.

For rural people, it is about twice that. Therefore, to access the same opportunities, say it is a training opportunity, we have someone coming in from Huonville or an outlying area paying twice the amount, although they are on a concession. We cap that for people who are closer in. Is that still reflective of the situation?

Mr SWAIN - The reason I am hesitating is I know we have done some alignment of concessions around the state in the last 12 months and that was because we had some discrepancies and arrangements. What we have done is generally to go to the highest level of support where there was a discrepancy.

We have aligned concessions but we have not fully aligned fares, other than where there were two services providing the same service. If you were coming in from Huonville previously, you could pay a different fare.

Mr CRANE - On different operators, we have sorted that out. Probably the best way to describe it is that it is a work in progress where this year we have made some adjustments to some of those anomalies but there is still more work to do on finalising the fares review in line with that inconsistency.

Mr SWAIN - We have done the concessions and we have done the fares to the extent that where there were two services with different charges again, we have gone to the lowest fare of the two. There is a broader task around fare policy looking across the state. We have done some work which essentially looks at areas and the basis of charging that applies in Hobart and how that would look if you applied it to the whole state.

There are some longer distance services which are quite expensive but very few people catch them, so we have been looking at

Ms WEBB - Whether it is a user-pays arrangement or whether we subsidise so that it is an equitable access matter?

Mr SWAIN - It is all subsidised. It is the degree of subsidy.

Ms WEBB - Yes indeed. It is the degree.

Output Group 6 Subsidies and Concessions

6.1 Shipping and Ferry Subsidies -

CHAIR - I note the actuals this year are only \$638 000, which is probably not a surprise because of COVID-19, but I want to clarify that was the reason. That is the actuals here in the annual report?

Mr SWAIN - With Bruny Island, there were fewer journeys and the department agreed to some extension of winter timetables and curtailment of the service, but left the level of subsidy to SeaLink the same.

The conversation we had in the context of COVID-19 was that we cannot support your profit line - and they did not ask us to. We can make sure that you do not lose so much money that it becomes uncertain whether you can continue to operate. Bearing in mind I am not making any comment about their financial viability, only they are a ferry and tourism business. We were conscious that they had been hit around Australia with their operations.

That did not result in a reduction.

CHAIR - Maybe it was a subsidy of the Furneaux and King Island shipping services.

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Mr SWAIN - The way this line item works is that there is a contingency fund which, when it is underspent, we find is between Bruny, Flinders and King there is often a need and that is what that.

CHAIR - The *John Duigan* has been off the line quite a bit.

Mr SWAIN - Yes, I believe it is ready to come out of dry dock in South Australia and it is not a Border Control issue stopping it. It may be a worker issue in the port. We are just trying to get to the bottom of that.

CHAIR - Over there, South Australia?

Mr SWAIN - Yes. I was actually following up on that on Friday afternoon. I know there had been a bit of a delay, but I think the issue was resolved and they are optimistic to get it back in service very quickly.

CHAIR - So we will be interested to see how much of this contingency is used next year, because the contingency is used to put another ferry on the line isn't, or we just relied on Wes.

Mr SWAIN - It was used. TasPorts found an alternate vessel, so it can be used for a variety of purposes, but it is unusual for it not to be used.

CHAIR - There was only \$638 000 spent actual.

Mr FERGUSON - I could offer the point because the Government has more or less instructed TasPorts to provide Bass Island Line.

CHAIR - So TasPorts have paid for that.

Mr FERGUSON - Yes.

CHAIR - You have not had to use the subsidy.

Mr FERGUSON - It is losing money. Let us put it that way. It is not a profitable service for TasPorts and it report that.

Mr SWAIN - The other item where this can come in is we have a capped arrangement with SeaLink regarding the level of maintenance expenditure they are obligated on the *Murrumbeena*. If the expenditure goes above and beyond that, the state will fund it.

We have made some payments in this financial year but we perhaps didn't in the reporting year. We do need to keep a little bit of capacity in that item for crossed over runs in maintenance. We did not, but that issue will move over time when we get the second new vessel on Bruny Island.

CHAIR - Which then they will pay their own maintenance costs.

Mr SWAIN - Yes, they will be their vessels.

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CHAIR - The contingency is not being drawn down for King Island whilst the Bass Island

line is operating the *John Duigan* or whatever other ship has to replace it from time to time. TasPorts is paying that from its own reserves.

Mr FERGUSON - My understanding is operationally yes, but does not preclude the use of the line item for other works that are, similarly too or supportive of any of those three services.

Mr SWAIN - It is a net zero for the Government. It either funds it through costs that are reflected in reduced dividends or no dividends or through this line item. It is the same. It is just an accounting process.

CHAIR - We just look at the general government; we do not look at the whole state sector here very much.

Any other question on that line? We will break for lunch.

The Committee suspended from 1.03 p.m. until 2.00 p.m.

CHAIR - Minister, I think you have some information to provide to the Committee before we move on to line item 6.2.

Mr EVANS - You asked for a range of information relating to RTIs between the years 2018-19 and 2019-20. I will deal with 2018-19 first. The number of applications in 2018-19 was 37, of which six were actively disclosed and they actually count in the refusals, believe it or not. Four of those 37 were transferred to other agencies. The percentage responded to in time frame was 33 per cent. The percentage refused - i.e. responded to actively - 18 per cent. Zero per cent were deemed refused; 3 per cent - i.e. one decision - was exempt in full; 27 per cent were released in full; 3 per cent were appealed to the Ombudsman, which is only one decision in 2018-19. We do not have a decision on that one as yet. We asked about percentage deemed refusals appealed to the Ombudsman and that is zero of course.

In 2019-20, we received, as I said this morning, 57. Three were actively disclosed; 0 per cent was transferred in full compared to four in the previous year; two were withdrawn; and one was refused - that is the only RTI in the last two years to be refused and was a repeat application of a voluminous nature - and 35 per cent were responded to within the time frame. The percentage refused was 8 per cent, 6 per cent of which were actively disclosed, so they count as refusals; and 2 per cent with the repeat application I mentioned a moment ago; 0 per cent was deemed refused, 8 per cent were exempt in full; 33 per cent were released in full; 4 per cent - i.e. two decisions - were appealed to the Ombudsman in the last 12 months, and we don't have decisions on either of those yet either.

You asked about training. We haven't had formal training in the last financial year, but it is correct to say all our RTI officers are actively trained in-house and we participate as part of the whole-of-government RTI officers' working group led by Justice, which includes representatives of the Ombudsman, where we actively talk about the management of RTI. It is also fair to say we will be looking at increasing training within the next 12 months, either as an agency or part of a whole-of-government effort.

CHAIR - Thanks very much. We will move to 6.2, which General Access Services.

**Output Group 6
Subsidies and Concessions**

6.2 General Access Services -

Ms WEBB - We've already spoken a little today about things being rearranged a bit under this line item so I wondered whether you might be able to provide an indication, just briefly, of how that has changed and what is now covered by this line item, so that I can make sure the questions I am asking are relevant to it? It is part of the output restructure. This output now includes reallocated non-metropolitan General Access Services that previously had appeared; it is on page 320.

Mr EVANS - I think the simple answer to this is that, as Gary explained this morning, bus contracts have now been broken quite succinctly into General Access Services and School Bus Services rather than as one set of arrangements within the Budget.

Ms WEBB - I can think of it as plainly as that. Great. Can I ask some questions then about bus services? We know there are initiatives in play to try to encourage people to use public transport and we've heard through committee inquiry processes that Metro has successfully - through rearranging routes and other sorts of initiatives - increased its patronage into double digits over the last five years, each year.

They have also indicated that while there has been a replacement program happening to ensure that all the buses are low-floor buses - which I believe will come to a close in 2020-21 - no additional buses have been added to the fleet for at least the last six, from what we heard, and there wasn't any plan in play to increase the fleet across the forward Estimates. I wanted to check in, after hearing that as part of a committee process, especially around what has been allocated in this Budget. Is there any plan to increase the fleet of Metro buses to accommodate what we hope to be additional use?

Mr FERGUSON - I will ask deputy secretary Gary Swain to respond. We do have plans to introduce more buses to the fleet, so not only is it a bus replacement program - I have to agree with you it is largely the replacement of old fleet - but there is -

Ms WEBB - Yes, I am not speaking about that one.

Mr FERGUSON - but I am saying to you that there are additional buses also, and more services, and we are taking the next step in Kingborough.

Mr SWAIN - There are two ways we will get some additions to the fleet or that we're working on. One is part of the \$20 million that's in the Hobart City Deal for Kingborough is going to be used for a two-year bus trial - and I think there is \$3.5 million for that from memory - what that will do is lease eight buses and there will be a separate arrangement with another operator outside Metro who will lease another two buses, so we will get an extra 10 buses on a leased arrangement for two years. Then those operators, one of whom is Metro, will have the opportunity to buy the buses for the residual value after the lease, which will be

about half their normal cost, and can be dealt with under our standing funding formula through the capital payments that we make.

Ms WEBB - Just to clarify, is that the eight buses that may become Metro buses at the end of that two-year trial and the leasing?

Mr SWAIN - Yes. There's eight with Metro and two with another operator. Those businesses have to make their own business decisions about whether they convert those into permanent fleet expansion but it's hard to imagine there being any lower cost bus that they would be able to purchase relative to those.

I am just reminded that we have actually guaranteed Tassie Link - which is the other operator - so two of them are guaranteed. The other eight, I guess the arrangements make them very good value for money. In addition to that, my general understanding is that the addition of 100 buses to their fleet out of 220 may give them some fleet expansion because it will allow them to retain a few buses and keep the 'best of breed' out of the existing 220, so it may not be a one-for-one substitution. It may be that you substitute 100 for 95, if that makes sense.

Ms WEBB - Some of those buses that were to be substituted out for the low-floor accessible buses, may actually remain instead.

Mr SWAIN - For a little bit longer. They will have a look at it as a business, and say, 'Look, if we have a bus that has a componentry issue, have we got another part of the fleet that we are retiring that we could deal with that issue and extend that bus life for a little bit longer.'

Ms WEBB - In terms of those buses then being utilised in that Kingborough trial, those 10 buses you have mentioned - eight for Metro and two for Tassie Link - they are just allocated for operating within that trial for those two years. They can't be used more broadly across the fleet? I say, the eight Metro buses, for example, only to be used -

Mr SWAIN - They are designed to move people in and out, in work hours, for peak time. Where we can we will integrate them into the fleet during the daytime - where we can. Obviously that makes best utilisation of the buses. Their primary purpose will be to trial an uplift in services out of Kingborough into Hobart and back again.

Ms WEBB - At the end of that two-year trial, if Metro were to gain those buses into their fleet because they have chosen to do that, because of the favourable conditions, could those eight buses become broadly utilised by Metro across any of their services within their fleet usage?

Mr SWAIN - Yes, that is correct.

Ms WEBB - There are no plans across say the forward Estimates to increase the fleet size of the Metro buses?

Mr SWAIN - What there is in the Budget this year, is \$500 000 in relation - which the department has discussed with the minister - to spending on future service planning.

What we have at the moment in Greater Hobart is a whole network of services that come in to the city. Myriad services. In the work we have done on the Bus Transit Centre, what that

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effectively says is that is sort of how a really big town operates, not how a city typically operates, where it is more hub and spoke, and you have collection points and then more direct services coming in to the centre. That also cuts down the amount of kerb space needed for buses, or if it is an underground facility, just the size of that facility.

We need to do that planning work in relation to the transit centre and the way that the Macquarie and Davey streets and other key arterials will work. Out of that may come some recommendations around services and fleet.

Ms WEBB - I am interested in PESRAC Recommendation 56, which is -

The State Government should work with regional councils to explore innovative approaches to community transport to better connect people living in regional areas to education and work opportunities.

Is that a recommendation that is being actively pursued or implemented, or planned for within this area of general access services within the department.

Mr SWAIN - We're doing a couple of trials, one in the Derwent Valley and one at Primrose Sands. I'm just looking for the details as we go. We have been conscious that there are areas that have a service need that doesn't fit our traditional model very well, and doesn't have enough customers or high enough patronage to warrant the cost of a traditional service.

We have a couple of trials going on, and we are working our way through those. We will need to marry the consideration of those trials with that future planning task around services for greater Hobart.

Ms WEBB - Regarding that PESRAC recommendation which flags working with regional councils to explore innovative approaches, are they trials involving those regional councils? Are there other instances in which regional councils are interacting with the department to look at their needs?

Mr SWAIN - I suppose what I'm saying is we have made a start. We will now need to extend that in responding to the PESRAC recommendation.

Ms WEBB - Regarding performance indicators for this line item, where am I looking for those? I don't see any. Would it be captured by Metro's metrics? We are on 2320, the others all follow, perhaps following the description.

Mr SWAIN - This is a service provided indirectly. Our part of it is the efficiency of our procurement. Really, the dollars in the Budget and the expenditure against the dollars is our chief performance metric. In the City Deal, there are a couple of specific well-known measures: there is a move from 6.4 per cent to 10 per cent of commuters using buses, and there is also a single occupancy car measure, which implicitly requires an uptake in bus services. There are a couple of specific indicators in the City Deal. The other set of arrangements, which will not be obvious, is that coming out of the bus procurement project there was a major review of the contract. There are performance indicators in the contractual relationships with all operators in the GA class and also the school bus service class. The issue we are very conscious of, but only beginning to address, is travel time reliability. At the moment, it is fair to say we do not have all the data and understanding of the reliability of key arterials, but is an issue we

are trying to address through reviewing our data collection. That also goes to the efficiency of bus services.

Ms WEBB - Would there be performance indicators of your contractors' services, whether the contracts are being met, the requirements within the contracts are being met and the degree to which that is happening?

Mr CRANE - Certainly we have for each of our contract [inaudible] contract administration approach. We go to each of your contracts and work out what your requirements are. We actively manage each of those contracts. That is how we administer those contracts.

Ms WEBB - The question I am asking is: is that something you could report on as a performance indicator for this line item, that contracted arrangements are being met, or the extent to which they are being met?

Mr FERGUSON - It is certainly available for scrutiny and discussion at Estimates, just as we are, in terms of the dollar amounts, what are they being used for. But a different way I have had it put to me is that this is an output group that deals with more or less direct payments out of the agency, out of the organisation. For example, Metro Tasmania could be asked, at their scrutiny, 'How did you use the money?'.

Ms WEBB - We could not ask the private operators that you contract though.

Mr FERGUSON - You can certainly ask us about performance managements of contracts.

Ms WEBB - I guess that is what I am putting to you: in the absence of performance indicators presented against this line item, could there not be a performance indicator on the extent to which your contracted arrangements have been met by those private operators?

Mr FERGUSON - We could have a look at it. As you can see, the performance information indicators are updated on a semi-regular basis. I am not averse to it, but will make the point it would not be our performance that we - this is for the Government's performance, the agency's performance. We might be able to find a way for our complaint handling, or our contract management to have a performance indicator. I think that is where I would draw the line though.

Ms WEBB - I imagine, given public money is being paid to private operators for a contracted service, in terms of public scrutiny, the public should be entitled to know that money has been spent in a certain way and the service that has been contracted has been delivered. To the extent it has been is a performance indicator for your department, if contracts are being -

CHAIR - Your question.

Ms WEBB - It comes back to a request that information be presented in some way that is a performance indicator.

Mr FERGUSON - I will take your request on board. But I will gently make the point again that the only performance indicator we would be prepared to put in future budget papers would be something that actually measures the performance of the agency personnel.

CHAIR - Any other questions? I have one, minister, but I am not sure if you are in a position to answer it. I am interested in - and it could be both general access services and school bus services - as part of your Government's Electric Vehicle Initiative - EVI - are you looking at trying to upgrade your fleet of buses to electric as well?

Mr FERGUSON - In the fullness of time, that would be the medium- to longer term goal. The shorter term goal is to get a trial up and running with our public GAPT provider.

CHAIR - What is that?

Mr FERGUSON - One group each in the south and in the north so that we can trial some technology. The work now underway triggered by this Budget is for Metro to do the business case to support that, noting that it needs to be electric, but it may be hydrogen/electric, depending on the availability of the pilot plant.

CHAIR - With the buses themselves, where would you have those constructed?

Mr EVANS - In your electorate of Wynyard.

Mr FERGUSON - In fact, Metro has been speaking with Bustech, and I also have been, and there is some upgrade pathway for electric buses using the same design that we are currently using.

CHAIR - The chassis design?

Mr FERGUSON - Even more than that. Yes, the chassis design, and even the construction of the cabin, the coach. You would probably already be aware that the diesel engine fittings are already designed to be swapped out for electric, and there are conversations currently underway as to how you would store the energy on that bus. Battery is an option, but we are ought to, and are, looking at the potential for hydrogen storage and a fuel cell.

Mr SWAIN - All I was going to say is that they really are quite an innovative design.

CHAIR - They are very clever, aren't they?

Mr SWAIN - Yes, when we were first presented with it, we thought you had to decide at the front end, and you can have diesel for seven years, electric for seven years, hydrogen for seven years. The modular design is very clever.

CHAIR - What is the time frame for this trial?

Mr FERGUSON - Two years.

CHAIR - Two years to have them up and running?

Dr SEIDEL - I shall take a bus from Huonville.

**Output Group 6
Subsidies and Concessions**

6.3 School Bus Services -

Dr SEIDEL - Minister, just a question on page 315, Table 11.4. In that table, the last line is about the average bus age on contracted services. I imagine a large proportion of those buses are actually school buses. Do you have the data on what the percentage of school buses are in that particular item?

Mr FERGUSON - Some people deserve a medal for this, and I think it might be Martin's area and himself personally. He is shaking his head, but he does, because we have finally dealt with the legacy issue of recontracting school bus providers, so I am sure we can assist you with that.

Mr CRANE - The good news on the school bus age is since we have been actively promoting the uplifting of school buses - in 2006, the average age was 22 years, and now the overall average age of the school bus fleet is less than 15 years.

Dr SEIDEL - Again, considering that is not grouped together, I imagine, for contracted services, do you know what percentage of those buses in that single line are actually school buses, versus -

Mr CRANE - That was the average for the school buses.

Dr SEIDEL - That 14.9 target, they are all school buses?

Mr CRANE - That line is for all buses contracted, but the average age for the school buses themselves is 15 years, and the number of school buses -

Dr SEIDEL - As a percentage of total buses contracted. If I could have a basic idea?

Mr CRANE - The vast majority are in the school bus age group.

CHAIR - While Martin is looking for that, minister, I seem to recall that the intention was to get to a maximum age of 10 years for school buses. Is that still the intent or was that never the case?

Mr SWAIN - I don't believe so. That would really retire a lot of buses -

CHAIR - That are still quite serviceable.

Mr SWAIN - A couple of hundred buses that, yes, have significant life. Age is a poor proxy for condition, so in an asset management sense, yes - age is an indicator but you would manage the condition of the bus. This indicator may have gone up a little bit in 2019-20 and that's because some decisions were held over while we were recontracting. We were going through the recontracting process all around the state, and bus operators were understandably nervous to contract until their new contracts were settled.

Dr SEIDEL - I might just move on while we're waiting for the answer.

CHAIR - Yes. Sure.

Dr SEIDEL - How many contracts do we currently have for school buses in the state and what's the average duration of those contracts in terms of months or years?

Mr SWAIN - Ten years is the answer to the -

Mr CRANE -. There are 102 contracted operators which run 350 services.

Dr SEIDEL - A follow-up question: do you have any data on how many buses we have with less than 25-seat capability and more, or is that too specific at this stage?

Mr CRANE - Not on me, but I could provide that if you need to know how many small vehicles there were.

CHAIR - You want to know how many small, less than 25-seat buses?

Dr SEIDEL - Yes, that's right, and I will cover that in a minute while I am asking that question. What strategies does the Government currently have in play to get more students travelling on buses? I ask that because previously we asked about their consumer experiences with regards to bus uptake. What are we specifically doing for our students who are relying on school buses, particularly in regional areas?

Mr SWAIN - The focus of the bus procurement was to make sure that we had services - for both GA and for school services - that were as direct as they could be. We looked at the maximum time students would spend on a bus and tried to reroute where those time frames are excessive. We also looked at improving the timing of the buses generally, and the product mix across GA and students, because when we went into that process there had not been what a root and branch review for probably 20 years and so we were significantly out of whack. We have looked at the service mix, the service frequency and the duration of individual services to see whether it's acceptable for parents.

Mr CRANE -. There are 351 school buses in the fleet and 17 buses are used for specialist school bus services.

Dr SEIDEL - There's no breakdown with regard to large buses and buses with fewer than 25 seats.

Mr CRANE - Yes, we can provide a breakdown, if you need it, of the smaller buses.

Mr SWAIN - Particularly for Hobart and Launceston, there's a whole range of congestion management initiatives that will make bus services, including school buses, more attractive. For example, what we haven't done historically is look at T3 lanes or bus lanes, or prioritisation at lights, or optimising sections for passenger transport - that's a sort of queuing lane which takes off first before other traffic can take off.

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All those arrangements are in place in big cities, and we are at the front end of it here - starting with Hobart on our high priority routes like main roads. I think Launceston will be next; there is a need to look at that to a greater extent than we already have.

Mr CRANE - If I could just add a little bit extra - student fares are highly subsidised already and we provide free travel passes for people with concessions so there is a recognition of the need to support people using public transport.

Dr SEIDEL - COVID-19 has been quite a challenge for school bus operators in particular, with spacing on buses and deep-cleaning of buses as well. Did the state Government provide any extra support to those school bus operators or were they asked to absorb those costs?

Mr CRANE - Yes, we did provide additional support for school bus operators. We increased the cleaning frequency on school buses to twice a day, particularly through the heightened period of the pandemic. We have just eased that down to once a day. We are in a position, working with the operators, where we can push that back, in either a targeted way or if there was a situation where it needed to go back up. We have a rough cost of about \$300 per month per bus.

Dr SEIDEL - Per bus operators, on average?

Mr CRANE - It provided them with assistance to undertake that deep clean.

Dr SEIDEL - Is that an ongoing commitment from the Government at this stage?

Mr CRANE - As I mentioned, we have reduced that by half, to once a day. A sum of \$300 was for cleaning twice a day. At the moment we have a commitment to have once a day cleaning going forward, with a recognition that if the need arises, we can put it back up - if there was a hot spot or outbreak.

Mr SWAIN - We have gone from a once a week to twice daily and now back to a day. The advice to the Minister was that it is just a matter of public confidence. Given that social distancing does not apply on public transport, it is really important to do whatever we can to maintain confidence.

Dr SEIDEL - I commend you, Minister, for being committed to the Towards Zero program, which I think is absolutely important. I think we have heard about the 'fatal five'. Seven to 9 per cent of fatalities are caused by not wearing a seatbelt or wearing a seatbelt inappropriately. Now, on school buses, if you have a bus less than 25 seats, you would have a seatbelt, but not necessarily for larger buses. Do you believe, minister, that we would increase the uptake of school buses if parents were satisfied that actually buses have seatbelts, regardless of the size? That is something that has been recommended and supported by -

CHAIR - You cannot wear a seatbelt if you do not have a seat yourself.

Dr SEIDEL - That was a follow-up question, Madam Chair. The Tasmanian Bus Association has called for seatbelts on all buses, as has the Tasmanian Association of State Schools. Is this Government committed to support bus contractors who want to upgrade their larger buses with seatbelts, which again is a very simple technology but highly effective. I

think the diagram really shows when we introduced seatbelts in 1971, how significant a drop there was in fatalities. I point out we had a bus fatality fairly recently on the Midland Highway. Again, my question is whether the Government is supporting contractors who want to upgrade their buses with a very effective safety upgrade, that is seatbelts?

Mr FERGUSON - We will do a team response on this one. This is one that has consumed quite a bit of our time. We are certainly aware of the comments from the, Tasmanian Association of State School Organisations - TASO. I believe the Tasmanian Bus Association has called for a review of the policy, or a review of our bus fleet collectively. I am not sure they have been quite as definitive as you suggested, Dr Seidel, and I am prepared to be corrected. But we certainly have taken it very seriously. At an instinctive level you would say, yes, it would make a lot of sense to enforce the use of seatbelts on buses. We have been socialised over 40 years now to wear our seatbelts in our passenger cars. You might have thought, as I once did, that it would automatically flow to the bus fleet. I am informed that it does not. I am happy for my officials to add to the answer. But I must admit that as I have spent more time looking at the evidence on this, I found that my initial assumptions were not based in evidence.

I want to try to put a mature layer on this. We want everybody to feel safe on their bus, as well as to be safe on their bus. I think we all want that. When we have been looking at the research, and I have been working with State Growth, which in turn has been working with the Department of Education, to make sure that we genuinely have an appropriate and contemporary evidence base on which to make policy decisions. The temptation is to just say that we are going to move to a full fleet where all buses will have seatbelts, and nobody can use the bus if they are not seated in a seat with a seatbelt.

I will now ask Gary to speak on where we got to with that, noting that we are not doing it on our own, we are doing it with the Department of Education.

Mr SWAIN - As the minister says, there is a quite understandable perception that seatbelts would increase safety. We have 20 years of records. We haven't any records of an operational death on a bus. We have a number of incidents where a bus has reversed over people, or there has been a head-on collision. One, recently, involved an unfortunate fatality.

As you might be aware, buses are designed to crumple. There are issues with the use of seatbelts as well, with ensuring they are actually worn, and then liability in the event that they are not.

The biggest thing is that we have been doing this review, and looked at all the literature, and we haven't really found evidence that it would improve safety. That means, in the next stages of the review, we probably need to have a conversation about what would be the things that most improve safety around the use of buses.

Again, our data are saying that a bus is still the safest way to travel to school. Statistically, it is safer than any other mechanism. The danger point is getting on and off the bus, and the reversal. There have been a couple of examples of people who are hearing impaired not realising a bus was reversing.

CHAIR -It will be a problem with electric buses, too. They won't hear it coming.

Mr SWAIN - That's true. It is a really difficult issue. There are economic factors that will come into play. If you went with seatbelts, you would need more buses. We haven't, in this review, been looking at that. We have just been looking if there is evidence that says you get a safer outcome.

Dr SEIDEL - There is a difference between the absence of evidence, and the evidence of absence. I think nobody is doing a trial to compare two buses, one with dummies that are seated, and other ones that are not, and just go against the wall. I think that level of data doesn't actually exist.

Again, my question would be, what are we waiting for, considering that the average bus age is now 15 years? Not all seatbelts potentially could be transferred from one bus to another. So, it is quite a cost-effective way, in my thinking.

I am just wondering what the analysis is, and how advanced your analysis is, to improve consumer satisfaction, and to make sure parents can feel assured that their children are travelling safely on a bus, particularly in rural areas.

Mr FERGUSON - Yes, great. Thank you again. Are you suggesting you would be able to retrofit seatbelts to a bus - is that what you meant?

Dr SEIDEL - I'm just wondering whether it is an option. I imagine you have them similar as for a normal passenger car. Simple technology.

Mr FERGUSON - It is, but also it would have to fit in with the overall design of the vehicle. I am not rubbishing the suggestion at all, but I am saying it might be a stretch.

As a person in this portfolio for just over a year, I must admit I have perhaps moderated my own opinion on this after spending time listening to and discovering advice on this. I want to be very clear that we have made the policy judgment on the advice that smaller buses don't have those safety features that larger buses have in terms of their structural protections. We have made it a mandated feature of any bus that is contracted under 25 seats that it does need to be fitted with seatbelts for their passengers.

Mr CRANE - Excuse me, minister, if I could just jump in to answer that earlier question about how many small buses there are. There are 36 of those buses in our fleet.

Mr FERGUSON - Not to try to give you a physics lecture, but I am advised research confirms that travel on buses that are not fitted with seatbelts is very safe.

What the deputy secretary said a moment ago, and what is not widely understood, is that buses are equipped with alternative safety features.

Large buses offer structural and passenger protection benefits, including -

- compartmentalisation, where strong, closely spaced seats, with energy-absorbing seat backs, act as protective envelopes around passengers;
- greater structural strength in the body of the bus, such as stronger anchorages and rollover strength;

- this is an important factor - the higher sitting positions for passengers in relation to the road;
- a larger mass, which lowers the consequent inertia; and
- lower levels of deceleration of buses relative to most other vehicles on the road in the event of a crash.

I want to be very clear this is not a defensive comment. I do not want it to be seen as that. It is not about protecting the status quo on the basis of some arbitrary factor like dollar cost versus protecting human lives. We have gone in with our eyes open, and I am just admitting to you that I have come a little way on the learning journey on this.

We are speaking with Education and State Growth - and I might invite you to speak to that - and we are determined to make sure we are making good policy on the basis of recognised research. Can we just touch on Education?

Mr CRANE - Yes, we have shared our thinking with the Department of Education. One of the challenges with putting seatbelts in buses - and this is not a comment that you should not do it - but one of the issues we need to consider is who is responsible for putting the seatbelt on. The structure of the seat will change when you have a seatbelt with a seat, so if they are not wearing the seatbelt, it is probably, as I understand it, more of a problem than with a bus than does not have seatbelts fitted. So who is responsible, particularly for young children?

This is one of the concerns Education has raised with us, particularly around booster seats and other things like that. There are some practical things you would need to work through around that kind of responsibility. You are talking about a bus with 50 to 60 young people on it. I am not sure the bus driver would say that they are responsible for ensuring all those children have their seatbelts on. That is just a practical issue, and that can have some other consequences.

In terms of retrofitting seatbelts, it is not just putting the seatbelts in. You have to actually put in some structural supports as well, so it is more of a complex issue than just putting them into older buses, so I make that point as well.

The point here is that we are used to seatbelts being a great saver. They have saved lots of lives in the light vehicle fleet, there is no doubt about that. The evidence suggests, since 1970 when they came in, big success. When I came into this area, I had the same thought, that obviously you would roll them out where you can.

I think it is more complex than that. We are going through this process of looking through that review to see how best to do it, but there are challenges with it.

Dr SEIDEL - You are open-minded, minister, I imagine, with the evidence-based changes.

Mr FERGUSON - You have to be. It is the same in my previous portfolio, and your medical profession, doctor. It is a simple fact that we want to be open to evidence, and emerging evidence, but sadly, the greatest risk we need to place our greater political emphasis

on is the risk of kids getting on and off buses. That is where the deaths have occurred. That is perhaps where the greater opportunity ought to be.

Mr VALENTINE - You were talking about current age being now around 15 years. Are you expecting that to reduce over the next few years because of the model you are using, or not?

Mr SWAIN - Somewhat is the answer. There are some incentives in the contracting model for younger buses. You get paid a capital allowance that includes a consideration of depreciation - depreciation is higher for a younger bus - and also to the extent that there is fuel and other operating efficiencies, the operator is paid on a sort of deemed efficient rate, so you can potentially make a little money in excess of the allowance if you have a more efficient bus.

There are a couple of mechanisms that will take operators to buy additional buses, but it will depend on their portfolio, and how many buses they have a loan against, versus the ones that are fully owned, if you like, in terms of their ability to buy additional buses.

Mr VALENTINE - If that model is not right, you could end up paying a lot more for the buses at the end of the day, rather than the fleet becoming younger as you go forward.

Mr SWAIN - It is intended - I hope we have got it right - but it is intended to deliberately reward you for buying the new bus.

Mr CRANE - Gary's points - under the contract model we've got, the amount of capital money we pay also ends, there's a life when it stops - so it is encouraging people to upgrade their buses. You've got to retire a bus at a certain age. The amount of money we will pay you in terms of a capital component will cease once a bus hits a certain age, which is all designed to encourage keeping the fleet as young as we can.

Mr VALENTINE - Thank you.

CHAIR - We will move on, unless there are other questions, to 90.15, Essential Air Freight Services to Bass Strait.

Output Group 90

COVID-19 Response and Recovery

90.15 Essential Air Freight Services Bass Strait -

CHAIR - This is a COVID-19 response measure. There was funding in 4.1, provided this coming year - essential maintenance for essential air freight and passenger services. I assume this partly subsidising the flights from Hobart direct to King Island? There was a period when not only Tasmanians could go to King Island for a period during the height of the outbreak on the north-west, which made it very difficult for people returning from the Tasmanian getting health care.

I am wondering what this 4.1 is? Has there been any spent to date? I think it was only brought in after the start of the financial year, but was there any also paid in the last financial

year, since whatever day in March things turned pear-shaped, into June, to support the islands? Just a bit of a breakdown on the money that has been paid.

Mr FERGUSON - We are going to respond as a group to this. There are a number of components to it. We will break it down for you, but I think we would begin by saying that the beginning policy intervention here was about protecting the linkages, noting there were no passengers on those flights. People weren't allowed to travel - predominantly not allowed to travel - and we needed -

CHAIR - Except for King Islanders returning -

Mr FERGUSON - Yes, indeed, a lot of islanders returning to wherever, but -

CHAIR - and then being banged up in a hotel.

Mr FERGUSON - There's that, but the airflights would have been no longer feasible if they were only expected to carry freight, so that was the intervention. Gary will break down the figure.

Mr SWAIN - There was \$1.6 million spent leading into this Budget and, really, this happened very quickly through the COVID-19 process. There were payments made to Sharp Airlines to maintain scheduled services to King and Flinders islands, including capacity for passengers and time-sensitive freight, so that was one. There was a Tasfast service which continued regular services between Tasmania and King Island and Victoria which, it turned out, not only dealt with some live seafood, but also was the transport mechanism for some time-sensitive medical supplies that weren't supplied into the state any other way.

CHAIR - They were coming from Victoria? Is that what you are saying?

Mr SWAIN - They were. The operator put together a service where it was sort of primarily underpinned by live exports, but they had supplemented their income by this -

CHAIR - Backfill.

Mr SWAIN - Yes, this medical service thing, so it was one of those unexpected throw-ups of COVID-19. Then there was an additional set of payments to Airlines of Tasmania to support the transfer time-sensitive medical supplies to Launceston and Hobart, so another similar scenario where it had been used as a revenue-completer for effectively a commercial service prior to COVID-19. I think in all cases we had done a sort of settlement-for-differences approach, so it has been total revenue, total costs, and then there's a true-up mechanism if the revenue is insufficient to warrant the service continuing, which is why the amount was 1.6 across those three, rather than more.

CHAIR - Was there any support for King Island Air in Victoria, because they do freight as well as passengers - I mean passengers wouldn't have been coming from Victoria.

Mr SWAIN - I don't believe so.

CHAIR - Sharp.

Mr SWAIN - Just Sharp and it was -

Mr FERGUSON - And Tasfast.

Mr SWAIN - Sorry, and Tasfast. But it was a scenario where it was very much looking to maintain essential services. If a passenger service was suspended and it did not have flow-on effects to freight to the same degree, it was not prioritised relative to those three services really about freight continuity.

CHAIR - The rest of the money that will continue for the rest of this year, this is only an allocation for this year, all things being equal, we all hope for that to be the case. That should be adequate to continue to support the islands where they need it.

Mr SWAIN - Since those initial services, the Government made a decision from a tourism perspective to support some services to Flinders and King done on a similar model, a kind of top-up payment.

CHAIR - That was very welcome, I can tell you, on the islands.

Mr SWAIN - It has been very successful. The top-up is quite reasonable for the level of tourism benefit going to the island. That has been really -

CHAIR - Tourism businesses are struggling terribly.

Mr SWAIN - The final element is the Pioneer Services have been operating out of Hobart as part of the International Freight Assistance Mechanism national set of arrangements to link-in with Sydney for internationals. IFAM has also had some direct arrangements with some of the seafood producers in Tasmania. A lot has been going on in this area.

CHAIR - We have moved over to 90.16. Does anyone have any other questions on 15, or do we go to 16?

Output Group 90

COVID-19 Response and Recovery

90.16 International Air Freight Assistance

Mr VALENTINE - I am sure a lot of businesses would appreciate this assistance. Can you outline why funding for the output has actually been provided for just a single year and why it is expected there is no need for national air freight support for time-sensitive goods in the outyears?

Mr FERGUSON - This is the period of time the assistance is needed for. For us, our corridor we have built with this has been Hobart to Sydney. Using IFAM, I believe it is 50/50 funded with the Commonwealth.

Mr SWAIN - That is 25/25 and 50 commercial.

Mr FERGUSON - That is 25/25.

PUBLIC

Mr SWAIN - Twenty-five is actually from the Commonwealth, then matched by industry.

Mr EVANS - The exception is the salmon growers have made their own arrangements, using the *Spirits* across Bass Strait, and then connecting to an international flight.

Mr VALENTINE - How are the funds applied? How does it work? Who gets paid?

Mr FERGUSON - It is actually done through the federal desk, through IFAM. Michael Byrne is the freight coordinator. It has been doing a very significant logistics task to try to piece together commercial operators with the partnership payments of state governments. It has worked for us. Our Budget commitment is for \$2.397, so obviously, it multiplies up to the \$11 million figure. Pioneer being the contractor in this case. It is about security of that link for Tasmania, particularly the fresh produce.

Mr VALENTINE - Okay, say, I am a person who deals in rock lobster or crayfish and want to get my product overseas. Do they have to apply somewhere to actually get this assistance or is this something the service is provided with and they simply get a reduction on their fee from that service?

Mr EVANS - It is organised through the freight forwarders.

Mr FERGUSON - They are not getting a commercial rate, but it is affordable because of this intervention, whereas otherwise it wouldn't have been. It gets the produce to Asia within 24 hours of leaving Hobart, which is pretty phenomenal.

Mr EVANS - For the business, it is no different from organising their freight through normal targets.

Mr VALENTINE - That is okay, I just wanted to know how it worked.

Mr EVANS - It is fair to say coming into summer, where we are going to have some pressures around increased volumes of cherries and other stone fruit, for example, we are in constant contact with the Commonwealth through IFAM and the Freight Coordinator General about how we deal with the freight challenge over the summer.

Mr VALENTINE - I am sure it is appreciated.

Mr SWAIN - It is. There is a lot of stuff. Where it is discretionary, people are moving it onto the boats and there are a couple of commercial discussions going on with the Coordinator General because they have other issues to deal with as well as ours. They have an over-dependence on Sydney Airport and they would like to see a bit more going out via Melbourne if they possibly can. There are potentially some commercial decisions that may assist Tasmania and we certainly are actively monitoring this space.

Output Group 90
COVID-19 Response and Recovery

90.23 Waratah-Wynyard Coastal Pathway

CHAIR - This is a COVID-19 response so we can only thank COVID-19 for making it possible to get this sorted. It was a long-running problem to get this pathway constructed. The money allocated for this - \$6 million this year, and another \$6 million next year - is that enough to fully address the erosion issues, which I assume this is essentially all for?

Mr FERGUSON - This is a council project, not a state Government project. I have to say, to be fair to the councils, a lot of storm surge and erosion occurred between when they applied successfully for election commitments and the current period, and that increased the cost. We did a lot of work with council and we hired a specialist consultant to give advice on the remediation costs to make the pathway achievable, and also to provide a forecast of future cost to try to ruggedise the asset in order to prevent further damage.

The advice was that this level of investment would be needed. The starting position was quite appropriate, in that there should have been a cost share arrangement between state Government and council. In the end we fully funded it, particularly to stimulate employment and get the project sorted.

CHAIR - So you are confident the \$12 million all up will adequately address the pathway issues?

Mr FERGUSON - That is my advice. That is how we landed on that figure. It is now for council to deliver the project. They have access to the cash now and we want to see it be a success. It is a fabulous future asset for the coast. It is really amazing.

Mr EVANS - We have had some external consulting advice in terms of the design and the storm surge duration

CHAIR - There are still bad bits along there.

Mr EVANS - This funding envelope is based on that advice.

Output Group 90
COVID-19 Response and Recovery

90.28 Airport Infrastructure

Ms LOVELL - Minister, I have some questions about the description around the airport infrastructure as part of the COVID-19 response. It talks about the re-establishment of direct international air services. Are there current weight limits on the apron and the tarmac at Hobart Airport, and do they prohibit international flights at the moment and larger aircraft?

Mr EVANS - Not that I'm aware of, because it has had an upgrade about three or four years go.

Ms LOVELL - The tarmac has but the apron?

Mr EVANS - The extensions are fine but there are weight limitations on the tarmac itself. That won't preclude international flights because, for example, if we are targeting direct flights from New Zealand, the narrow-bodied aircraft could deal with the tarmac without any problems. We only have a problem down the track potentially if we move to wide-bodied aircraft.

Ms LOVELL - What is the weight limit? What would be the restrictions in terms of the types of aircraft could we accommodate.

Mr EVANS - It is a more technical question really.

Mr FERGUSON - It's probably a question more for the airport owner. We are here to provide logistical support and upgrade funding.

Ms LOVELL - As far as you are aware there is no obstacle to direct international flights in terms of the infrastructure?

Mr FERGUSON - To be clear for the committee, secretary, would you agree that the sort of aircraft we are talking about would be like the 737s and A320s?

Mr EVANS - Not jumbos and 380s, obviously. The aircraft that would be flying from, say, New Zealand to Hobart would be accommodated perfectly well.

Mr GAFFNEY - Sorry, just on that, when is it supposed to start?

Mr FERGUSON - There is some more work underway between the two governments on this but the travel bubble would be ready to commence this summer.

Mr GAFFNEY - That is interesting, because I have been online to have a look and there is no direct flight from Auckland to Hobart. You have to go via Melbourne or Sydney, so why would that have any impact on the size of the craft here?

Mr FERGUSON - Because we will have direct flights from New Zealand to Hobart. This summer is the target date. I am sorry, did I miss the question?

Mr GAFFNEY - Yes, I think you misunderstood - I have been online and all the flights going from Hobart to Auckland show there are one or two stops. You have either to go via Melbourne or Sydney.

Mr FERGUSON - That means there is not a flight from Hobart to New Zealand, but the airline you have checked with has found a pathway and they have created a virtual flight from Hobart to New Zealand, but it is not a true direct flight as you have indicated. When this program is secured and locked in, you will actually start to see direct.

CHAIR - It is like flying via King Island to Melbourne.

Ms LOVELL - Back to airport infrastructure, currently with our international air freight does that all go via another Australian city, do we have any direct?

PUBLIC

Mr SWAIN - Pioneer Services is currently going via Sydney. The Freight Coordinator has an unmet demand of mainland jurisdictions, including Melbourne and Sydney, as I understand it. There are some discussions looking at services that might part load in Hobart and then top-up in Melbourne or Sydney, to then go international.

Ms LOVELL - Other than work we spoke about, what other airport infrastructure money be going towards. If it is for the reestablishment of direct international services, what are the -

Mr EVANS - The funding is in two packages, \$10 million of which is targeted towards the establishment of the infrastructure to support Border Force at the Hobart Airport.

Ms LOVELL - That is 10 men.

Mr EVANS - That is right; in order to support international flights into the future and we are in discussions with the Hobart airport around the arrangements with those funds. We are in negotiations about a funding deed for those funds and \$5 million will be made available to Launceston Airport for some general security and terminal upgrades.

Mr FERGUSON - And some reconfigurations of some of the departure areas.

Ms LOVELL - That is the \$15 million. That is the break down, yes, okay. Is that split evenly over the two years so it will be \$5 and \$2.5 and \$5 and \$2.5?

Mr EVANS - That is to be negotiated.

Mr FERGUSON - There will be cashflow as they need it and as they are ready to build.

Ms LOVELL - Is there capacity to bring that forward if they were ready to move more quickly?

Mr EVANS - Yes.

Grants and Subsidies -

CHAIR - The West Coast Wilderness Railway has a little boost and is all COVID-related. Can you give us an update on how that was tracking - pardon the pun - before COVID-19? It has only been doing the out and back, not going all the way through from Queenstown to Strahan of late. What is the plan for that?

Mr FERGUSON - The Deputy Secretary, Bob Rutherford, is my particular supporter on this one, but in his absence, I will provide you with what I can.

CHAIR - He is just outside.

Mr FERGUSON - In common with many other businesses, and this particular one, it is owned by the Government and has been particularly affected by the COVID-19 border closures - self-evidently, reliance on tourists being a huge problem for them.

PUBLIC

So the Budget provides \$16 million over four years for capital investment by the West Coast Wilderness Railway. Also, we have provided support for the losses that it has been experiencing.

CHAIR - Is the full uplift to \$8000 in this Budget just related to its losses or is there additional funding to support it to reinstate the full length of the trip?

Mr FERGUSON - It is \$8000 thousand, so \$8 million.

CHAIR - Million; sorry, it is \$8 million.

Mr FERGUSON - Yes, it is to deal with lost income as well as capital upgrades.

Mr SWAIN - Because of their ownership, they weren't entitled to any JobKeeper or any assistance for their employees, so that has given them a particular problem, which is why that extra \$4 million was put in. To the extent it is not needed for that, it can go to the capital upgrades, which is a program that is ready to roll out, which will help as a regional stimulus.

CHAIR - Do you expect the majority of that \$4 million to cover the wages costs and other things that are a result of COVID-19? Is that what you would expect.

Mr SWAIN - I expect it to be roughly half-and-half. I'm just doing some maths in my head about how many employees they have, but I haven't a precise estimate on that.

Mr FERGUSON - It has to be said the organisation had to manage its staff, but while it was unable to take passengers, it did a tremendous job as a company, as a group, to make upgrades to a number of its stations. Perhaps you have seen some of them?

CHAIR - Not recently.

Mr FERGUSON - It has done a wonderful job freshening up carriages, doing a lot of improvements to some of the museum spaces, and really making the place look pretty amazing, when I visited the site. But a nice, positive, upgrade pathway for them as well.

Capital Investment Program

Mr VALENTINE - I went to ask this question earlier, but was told that this is where I should ask it. It was with regard to the Bridge Renewal Program. Can you provide us with a list of your bridge program going forward?

Mr FERGUSON - Chair, I would just like to introduce you to Denise McIntyre. She is acting general manager of State Roads and doing an incredible job for us, and for the people. Denise is more than able to address matters of detail on the capital program because she is running most of it.

Mr VALENTINE - The question was just about the Bridge Renewal Program.

Ms McINTYRE - Apart from the significant bridge renewal of Bridgewater Bridge, there are three bridges on the Bridge Renewal Program for this financial year. They are Sheas

Creek Bridge on the Tasman Highway, the Apsley Bridge on the Tasman Highway, and the Blackman River Bridge at Tunbridge. So, it is \$13.5 million.

Mr VALENTINE - Thank you.

Ms WEBB - Is this the line item in which to ask about ferry infrastructure?

Mr FERGUSON - Yes.

Ms WEBB - In regard to the Bruny Island Ferry, it was announced just recently, I think by you, minister, that work to expand the ferry terminals is going to begin in coming weeks. It will involve, among other things, the construction of additional piers at the two terminals to accommodate the new ferry service, involving the two ferries.

Can you detail the tender and contract processes involved for this expansion of the Bruny Island ferry services, specifically in relation to the on-land or landside infrastructure upgrades required to accommodate the new ferry service? Is that being funded entirely by the Government, or the ferry service provider?

Mr SWAIN - I might start, if I can. Denise will probably have some additional details. By the Government, the work is being broken into two portions, a marine portion and an on-land portion. The intent is to remove a single component vulnerability - so we just have the single ramp and load/unload at either end - and this will go to some duplication just to make the service more robust and really reflecting the year-on-year growth pre-COVID-19 that has occurred in visitor numbers. Hopefully by the time we get to the middle of next year, having two brand new vessels on the service, and a generally upgraded service that meets the missing bit, if you like, upgrading this infrastructure.

Ms WEBB - Were those arrangements always what was proposed for how those upgrades would occur? When the tendering occurred for the ferry service providers, was there an understanding that those ferry service providers would need to do the on-land terminal infrastructure upgrade?

MR SWAIN - At the time the original tender was run, the tenderers were asked to indicate what capital needs they had. There was no choice in the way we ran the tender because there was no budget at that time for those capital works, so we needed to make sure we had an apples-with-apples comparison in the tender process. Subsequent to that process concluding - I am not sure how far we were into the new service provision - we put up a proposal for capital funding, which was then supported in that budget, which has then led to the works that are now going to start this summer.

Ms WEBB - So at a certain point the Government decided to fund the on-land part, but it hadn't been there when you first tendered?

Mr SWAIN - Yes, that decision hadn't been made when we tendered so we could not run a tender on the basis of money that wasn't there.

Ms WEBB - We may have missed out then in that tender process, from groups that may have tendered had they not had the imposition of the land-on-land infrastructure spend potentially, which is interesting to contemplate now.

PUBLIC

Mr FERGUSON - I am not sure we would agree with that.

Ms WEBB - It is speculation.

Mr FERGUSON - Yes, it is speculation, yes.

Ms WEBB - I also wanted to ask about the Derwent River ferry arrangements. Just recently it was reported in the media that the services on the Derwent River are expected to be established in the first half of next year and would run for one year as a trial, with the opportunity to extend the contract for a second year. Is there appropriate infrastructure in place for ferries to undertake that trial on the Eastern Shore? Is there any infrastructure or revamping of existing arrangements required there? Is that something that the Government would be addressing if there is, or the operators of the trial?

Mr SWAIN - At the moment we have asked the tenderers to indicate if they have any needs in relation to infrastructure. The short answer is there isn't DVA-compliant infrastructure on the Eastern Shore.

Ms WEBB - There is or isn't?

Mr SWAIN - There isn't. We have discussed with the council whether they would be willing to negotiate with all parties about connecting infrastructure to their seawall that they are building, or will be completed in January. What we are hoping to get from the process is some innovation from the bidders about how that would be solved. They may have a floating pontoon or other solution, which isn't a permanent capital solution. It's possible that the bidders don't have one of those, and then that will have to be considered on the end of the tender process.

Ms WEBB - Are you looking to either the local council to do something with the wall it is building that may solve the issue, or the tenderers to offer a solution that may not need to be an infrastructure solution? I am just making sure I heard that correctly.

Mr SWAIN - Not quite. What we have made sure is that the council which is building the seawall is happy to talk to bidders about connecting something to its seawall. It has said subject to some technical parameters, it is. It wants something that floats alongside but doesn't bang into, because it's not designed to take an impact on the seawall. The way the tender is designed, there's a reference terminal both ends of the link, but bidders are also free to propose other locations in close proximity. The Federal Group does have facilities. That's a potential negotiation between bidders and the Federal Group on the Eastern Shore and at this end there's the Roche Brothers facility. It's an outcome-based tender process where we're saying, 'Looking for bidders to propose how they would do the trial with these reference points at either end, but you can vary from that as long as you can show the service is value for money likewise.'

Ms WEBB - Thank you.

CHAIR - When you look at Budget Paper No. 1, the infrastructure investment chapter, page 100, State Growth infrastructure spending by agency, there is a just under \$51 million difference between the budget from 2019-20. Does that \$51 million all roll forward into that new figure or has it just been transferred to others under the Financial Management Act provisions?

PUBLIC

Ms McINTYRE - Basically, it has been cash-flowed forward. Some of the projects identified in 2019-20 may not been scoped thoroughly, so the cashflows revised in October last year gave a more realistic rollout of the project expenditure over the Forward Program. Some of it will be in this financial year and some will be in the next.

CHAIR - Is that included in the \$484.6 million estimate there?

Ms McINTYRE - Some of it will be, yes.

CHAIR - So it's actually not a huge amount more than what was budgeted previously?

Ms McINTYRE - The original 2020-21 Budget was \$378 million, so there has been some added stimulus funding.

CHAIR - If you take that \$51 million out - because that has been rolled forward though, it's not really in the -

Ms McINTYRE - It hasn't necessarily been rolled forward to this financial year. It has been rolled forward across the program.

CHAIR - So it could be spread over more than one year. Do we know how that has been spread or not?

Ms McINTYRE - The program is rolled out - there are multiple projects within each program, within each subprogram, so it would depend on how the projects - each individual project was rolled out and identified. It would take some digging to work through which projects were pushed forward and which were -

CHAIR - Have we a list of projects currently approved for funding -

Ms McINTYRE - We have a program, yes.

CHAIR - Are you able to provide a copy of the program? That is where I was headed next and particularly - I don't know how much detail it has but when you look at the roads of strategic importance, the State Roads upgrades in the three regions, do you have a schedule?

Mr FERGUSON - I would be delighted to bring that to the committee. It's a very big list.

CHAIR - I'm sure it is. I would just like to see which ones are on it in my electorate, particularly.

Mr FERGUSON - Sure. I can't blame you.

Mr VALENTINE - Can you give us an update on the Greater Hobart Traffic Solution works?

CHAIR - Do you have a congestion fund?

PUBLIC

Mr VALENTINE - Yes, all of that. If somebody could provide that, it would be great. I am sure there will be people listening or watching today who will be fascinated.

Mr SWAIN - This work is now advancing. At this time last year, we were still trying to plan through how all the components would work together. Where we may be working backwards, the first construction we are going to do is around the Huntingfield and Firthside park-and-ride facilities that will need to link in with the bus trial from Kingborough coming back to Hobart. Work has been done on Davey Street and how that will be configured to give some extra priority to buses and also cycling. Works on that are starting this year and then following on to Macquarie Street next year.

We still have some fine-tuning to do in the design work around the fifth lane of the outlet. It is particularly important to get the balance right in terms of how the intersection works on the Southern Outlet coming across Davey Street, so we don't end up with back to back queuing in providing access to buses. We have to work through the detail of that.

In parallel, tenders have been worked up for the lane management system - LUMS - for the bridge and also OTIS, which is the traffic information system that will assist traffic coming back from Sorell. There is also planning around the works on the South East Traffic Solution - SETS - project coming back from Sorell. We are working to ensure there are explicit requirements in that contract to make sure that people cannot work during the peak time in the morning, which is particularly important to tradies coming into work in Hobart to deliver capital works.

CHAIR - They are usually there pretty early.

Mr SWAIN - They will not be able to start work on the capital jobs until they are through. There is a great deal going on. The Bridgwater bridge is also advancing and we have been doing work on Main Road around optimising some of the way the existing bus stops work. The incident management system is now up and running and is being used regularly, it has been used on the bridge in the last week a couple of times, one unfortunately -

Mr VALENTINE - Something you do not like to see have to happen, of course.

Mr SWAIN - We are a lot further on than we were a year ago.

Mr FERGUSON - Those crashes or the broken-down vehicles are getting cleared up in as little as 15 minutes.

Mr SWAIN - Other work has happened in parallel around the Western Bypass study which is an issue that continuously comes up. It has been important to look at that option to say it is probably not the next step.

Mr VALENTINE - Midway Point, no right turn in peak hour if you are coming from Sorell, that would be a good move.

Mr SWAIN - And, of course, the airport roundabout has had some challenges in planning but we are now out to the planning process. There is an enormous amount going on but we are at the point where it is getting easier in some ways because all of the components are better to find so it is easier to get them to fit with one another and program and sequence them.

PUBLIC

Mr VALENTINE - The airport roundabout issue has been resolved, has it?

Mr FERGUSON - A permit has been issued by the council I think last week Tuesday. It is nice to get that resolved for Hazell Brothers.

Mr VALENTINE - I don't know that everyone is happy, but anyway that's another point and perhaps not for here.

Mr FERGUSON - You can raise it if you want. I would be happy to speak my mind on the matter. We are very happy to see progress and the council's original decision to approve the DA has been upheld in a very solid way by the tribunal. We welcome it and we are glad that work can get under way - or I should say, I am glad the work can continue.

Mr VALENTINE - So there is no further action in that regard?

Mr FERGUSON - Some people are taking further actions, but my view and advice is that work can continue.

Mr VALENTINE - Thank you.

CHAIR - I must say that the Perth bypass is very nice, amazing engineer-designed -

Mr FERGUSON - Phenomenal.

CHAIR - I missed the turn though to get up to the north-west.

Mr FERGUSON - Phenomenal; it is the biggest project on the Midland Highway action plan.

Mr VALENTINE - Is there much more work happening with traffic signal sequencing and those sorts of things in the CBD, out of interest.

Ms MCINTYRE - Some work is being undertaken on the network operation plan for the Hobart CBD streets, to prioritise which vehicles and which movements have priority over others - so, yes, there will be continuous work on upgrading the system.

Mr VALENTINE - Thank you.

CHAIR - We can let this part of your team go, minister, I believe. We now go to the Minister for Science and Technology.

Mr FERGUSON - We have some extra information. I will ask the secretary to answer, thank you.

Mr EVANS - We took on notice a question about consultants for ITas. There were six in the last financial year.

CHAIR - At a cost of?

PUBLIC

Mr EVANS - A total cost of \$462 916.45. The biggest one was to WSP, which was \$302 000, for the Greater Hobart transport model update, which included the planning around the bus transit; \$47 695 to WBM through NRM for the Hydro flow in association with the Tamar Estuary Management Taskforce; just under \$50 000 to GH&D for the investigative work we talked about earlier for the Cooe to Wynyard Coastal Pathway; and \$47 000 to Ernst & Young to support development of the 30-year infrastructure strategy, which the minister spoke of a little while ago. We still have to complete that work in a post-COVID-19 world.

There were two smaller contracts through DPIPWE for industrial surveys associated with the Derwent Valley rail line and strategic infrastructure corridors. One was \$3000, the other was \$12 750.

CHAIR - And did you have travel costs?

Mr EVANS - We do not have explicit travel costs for ITas, but we do have for the department. Do you want the travel costs for the department?

CHAIR - Yes, the department will be fine. The department being this area, or the whole of State Growth?

Mr EVANS - The whole of State Growth.

CHAIR - You don't have a breakdown in relation to the areas you have scrutinised today?

Mr EVANS - I do, I just overlooked it. Travel and transport associated with ITas infrastructure policy and state roads division: \$51 183 in total; of that, \$29 000 related to lease vehicles, taxis and parking; \$3300 on intrastate travel; \$14 400 on interstate travel; and travel allowances \$3400.

Mr VALENTINE - One last question, if I can. The bus mall: what is the circumstance with regard to the transit centre?

Mr SWAIN - The first stage of work was done, looking at really two things - trying to define functional scope, so we did not end up having a loose, fact-free discussion around future bus malls or trying to work out precisely what it would need to do, and what it would need to accommodate in terms of flow of buses and that sort of thing. Then, some work looking at sites at and around and under Franklin Square. That sort of concluded about the time COVID-19 really took off, so there was some lag in that work.

Then there was a second phase, which is now nearing completion, which is just looking at some other sites around Hobart, for completeness.

Of course, in the meantime, one of the things Denise and I were talking about a lot was how this work would sequence out, and how much work you could have - understand this activity is not yet funded - but as we advanced the planning around Macquarie Street and other parts of the network, that really you could only have a limited amount of disruption at one time.

That was then overtaken by the Australian Government's funding of the Tasman Bridge, which now means we will have to really think about that transit centre, probably on the other

side of those bridge works. We are just working through that at the moment, off the back of the Australian Government's funding, and Tasmanian Government's support of that.

However, we are thinking you can only really have one major disruption in the network at one time and manage the issues.

Mr VALENTINE - I can appreciate that. What about commercial bus operators, though, and local services provided by Metro? There is no thinking about bringing that all together as a transit centre, like the commercial operators?

Mr SWAIN - As I mentioned before, we have to do this network planning exercise. The bus procurement exercise was really about recontracting within the same paradigm. This would be moving to a different paradigm, where you would have collection hubs. You would look at Sorell, you would look at Brighton, you would look at Kingston, Huonville, and say we are going to feed into some collection hubs.

Mr VALENTINE - The hub and spoke model.

Mr SWAIN - Hub and spoke model. That is the way you get the footprint down on the transit centre. We also would need to do that work, if the Government wants to go on with that, probably concurrent with the Tasman Bridge, so that on the other side of that you had an ability to move to a transit model. In the meantime we will have to just maximise utilisation of the current bus mall. If we are successful in getting more people on buses, that will create challenges, but I guess that is the next problem.

CHAIR - Thanks very much, minister. We might take our afternoon tea break now, then start science and technology at a quarter to four.

The Committee suspended from 3.31 to 3.44 p.m.

DIVISION 9

Department of Premier and Cabinet; Department of State Growth

Output Group 3

Electronic Services for Government Agencies and the Community

3.1 Information, Technology and Digital Services Strategy and Policy Development -

CHAIR - Welcome back again, minister. We are now onto the Minister for Science and Technology, and I invite you to introduce the other people at the table, and if you want to make a brief opening statement in relation to this portfolio, that will be fine.

Mr FERGUSON - Thank you, Chair, and members of the committee. I am pleased to introduce to the table, on my right, Doctor Bob Rutherford, Deputy Secretary, Industry and Business Development; and on my left, Doctor Glenn Lewis - I am surrounded by doctors today - Chief Information Officer, Digital Services Strategy, Department of State Growth.

PUBLIC

A brief statement I would like to bring to members. The ICT sector is a critical growth enabler for our state, and crucial to our ongoing and future success, including in government service provision.

We anticipate we will be responsible for producing innovations and efficiencies that will allow us to remain competitive in an increasingly connected national and international level, as well as unlock future growth opportunities and new markets.

Since coming to government, we have rolled out millions of dollars' worth of targeted initiatives to support the ICT sector and we have worked very closely in collaboration with the peak body for the industry, TasICT, as well as the peak body for the profession, the Australian Computer Society, Tasmania Branch.

We also continue to value our productive partnerships with Tasmania's science and tech organisations, and agencies. I include in that the Institute for Marine and Antarctic Studies - MAST - UTAS, the Menzies Institute, the Tasmanian Institute of Agriculture, amongst others, to deliver outcomes across a range of industries and in Antarctic and Southern Ocean research and capability.

In addition to our ongoing agency spends across the forward Estimates in the Department of Premier and Cabinet and Department of State Growth, the 2020-21 Tasmanian State Budget takes our ICT investments to the next level, with a significant \$135.4 million boost.

We touched on this earlier in the committee, so I will just be brief. There is specifically, a \$23 million towards the modernisation of our Health Department HR systems. The boost also allows for upgrades to the Justice, Connect and Child and Youth Services systems, to improve usability and replace legacy systems.

Further, there is the development of the inaugural 10-year digital health transformation plan, again which we discussed this morning, which will lay out our vision for tech in our Health system to improve outcomes for patients and make working in our Health system more efficient for our staff.

And of course, for Tasmania Police, there is an additional allocation of \$46 million to continue Project Unify, which has been very successful.

But perhaps, for me, as I have said before, my priority for future investments needed to be on cyber, because cybersecurity is a part of our overall state's security fabric. Perhaps most importantly, the Budget makes an additional \$4.9 million investment toward our whole-of-government cybersecurity program uplift, to ensure the resilience of government services in the face of cyber threats, which are, without doubt, increasing in frequency, scale, sophistication and severity. Through this, and future budgets, we will continue our support to the growth and update of technological and scientific solutions to support emerging opportunities across our industries.

The ongoing support will also help establish new sectors, including in space, which will unlock exciting new opportunities for Tasmania's future.

CHAIR - Thank you. There is something I know you had previously for this area.

Mr VALENTINE - There has been an increase in appropriation. It is 12.5 per cent higher than estimated in last year's forward Estimates. Across forward Estimates, the appropriation increases up to 42 per cent.

What are those increases for What is happening in that particular area now that wasn't happening before

Quite clearly, of more money - I'm talking about last year's budget Estimates. Don't get the wrong idea. Estimates last year compared to this year's Estimates - there is a rise; what is happening in this line item?

Dr LEWIS - The increase in appropriation in Output 3.1 is due to the increase in cyber funding.

Mr VALENTINE - It is the cyber funding that is the issue?

Dr LEWIS - Yes.

Mr VALENTINE - So, the thing of concern is the Tasmanian Audit Office report. We touched on this a little before, but a lot of it was to do with strategy, and therefore it probably more reasonably sits here. The Audit Office has provided seven recommendations. I know it has not long been out, but I am wondering whether you have given any preliminary thinking to the sorts of strategies that might be put in place to see some of those recommendations effected?

Mr FERGUSON - Dr Lewis and myself will both respond. The Government was provided with a courtesy copy briefly in advance of the release of that report, which enabled us to provide the comments that were helpfully included by the Audit Office in the body of the report. They included a statement from myself and also from Ms Jenny Gale, the secretary of the department. She did that on behalf of all of the agency heads because each agency head was separately approached because of the nature of the report.

We have now released Our Digital Future. That occurred in June this year. It was our first digital transformation strategy. It provided a timely opportunity to highlight the importance of digital transformation for the Tasmanian Government, but as well as that for the business community and for the community more generally. It is more than a technology roadmap for the digital future. It is about helping and inspiring Tasmanian businesses and people and government agencies to connect and to collaborate.

It would be fair for me to say that the Auditor-General - indeed the person occupying that role some four years ago, Mike Blake - also provided a report of his own and that dealt with some of the risks identified with our ICT systems, particularly the legacy systems. We continue to learn from advice, including from the recent Auditor-General's report.

Definitely you can see from Jenny Gale's statement in the report that there are different views on this. Hopefully you picked that up, but there is definitely a willingness and a preparedness to line up his findings and recommendations in a way that is aligned to Our Digital Future roadmap.

Mr VALENTINE - Would you see, though, a whole-of-government ICT vision is not a bad thing to have? I don't think you would disagree.

Mr FERGUSON - No, I don't, but I think there have been different choices of words. As I indicated earlier, there is nothing wrong with promoting an ICT vision, but we had to get our digital vision straight first and that is what Our Digital Future is all about - setting the vision for the broader digital strategies before you then go down the more technical path. I wonder if Dr Lewis would agree with me that there is a confluence of two completely different terms here. One is an ICT vision and the other is a technology roadmap. We have adopted the term 'technology roadmap' and in my opinion they are both equivalent and valid.

Dr LEWIS - That is correct, minister. The digital strategy, Our Digital Future, has a vision for whole-of-government digital which is broader than just the technology. That encompasses things like the digital culture and how we provide services out to Tasmanians. One of the actions in that strategy is the technical vision or the technical roadmap as it is called in the strategy. That will drive the way forward to meet the Auditor-General's recommendations.

Mr VALENTINE - An interesting aspect of the government ICT investment as you read through the different areas you are investing in, is the extent to which investment delivers services internal to government as compared to the extent to which government services to the community are proposed to be delivered using ICT, and also the issue of bringing the digital literacy up within the state as well. Do you see that as part of your scope?

Mr FERGUSON - All of the above, absolutely yes.

Mr VALENTINE - What projects do you see being put in place to address digital literacy issues in the state?

Mr FERGUSON - I would point to a number of initiatives. I know you are familiar with Digital Ready for Business.

Mr VALENTINE - Yes, I am.

Mr FERGUSON - We have also created Digital Ready for Daily Life and this is precisely a digital inclusion and digital literacy initiative. We kicked it off only last year. In fact, in last year's budget, we actually established the funding for that. We are very excited about it. It was launched about three weeks before the COVID-19 lockdown occurred, and so the face-to-face support designed to reach out into the community for people who aren't comfortable with technology, or who aren't very good at it, or who would like to get better at it, was very much curtailed. We're standing that up again.

I also point you, Mr Valentine, to the very significant investment that has been made in this Budget around internal-to-government services that are being upgraded, for example, Project Unify, which is an internal-to- government upgrade to services.

Mr VALENTINE - Yes, that was the point I was making, though - that a lot of investment is actually in that space. It's all very well for us to be putting in place information systems that improve service delivery across the fibre to members of the public. However, if members of the public don't know much about computing and are less able, therefore, to access those services, it's a sort of tension. That's what I'm interested in, and how you're going to approach it.

Mr FERGUSON - We have quite a lot of technology access around the state. No doubt there are pockets where it can be improved and we have continuing work on black spot remediation, and are doing that often with the federal government. It's not just about having the technology at your fingertips, it's also about your ability, and the affordability of it, so we did -

Mr VALENTINE - And an older population profile.

Mr FERGUSON - So true. Tasmania's score, by the way, on the Australian Digital Inclusion Index has improved. It improved over the year from 58.1 per cent to 59.6 per cent.

Mr VALENTINE - How does that sit with other states?

Ms WEBB - Did our ranking improve?

Mr FERGUSON - I would need to check that but Tasmania is definitely coming from the back of the group - no question about that. Not at the bottom, I wouldn't say, out of the states and territories. I think the year before we also saw an improvement. This is why we're doing Digital Ready for Daily Life. There are linkages in there for the private sector to be involved as well because we don't only want it to be about government. It needs to be about the community.

Mr VALENTINE - How are you delivering that particular program - Digital Ready?

Mr FERGUSON - It's a similar format to the Digital Ready for Business. It is about face-to-face sessions in the community - group settings, particularly through a partnership with the Education department and the links with the libraries; and making sure that there are also online resources. Believe it or not, we had to very quickly pivot during the pandemic - just as many businesses did - so a lot of resources were switched across to the online format.

I know you will be thinking that's a bit counterproductive if people aren't confident to look at it. Nonetheless, we had to do something to try to make it more accessible and easier for people to learn how to make a Skype call, for example, or how to use Facebook, and that's exactly what we did. That was our attempt to try to reach people at least with the level of confidence that they did have. This program is going back now to the more traditional setting of small groups, and in the community.

Ms WEBB - What is the quantitative investment in the Digital Ready for Life, and over what period is it now going to be extending?

Mr FERGUSON - It's a \$300 000 investment, and it has already commenced under 2019-20. It has continued at \$100 000 per year and it continues in 2020-21 and 2021-22.

Ms WEBB - How many people are you expecting to support through that program under that investment across the three years?

Mr FERGUSON - It's still in its early days despite the fact that it was disrupted quite literally by a pandemic. The program website currently provides details of 133 locations that provide public access or locally based digital support, and that's offered by Libraries Tasmania

locations, online access centres, Service Tasmania outlets and the Tasmanian Government free wi-fi network. The program is being widely promoted, including via Service Tasmania outlets and on an active Facebook page. From October last year to September this year the program has promoted more than 140 digital assistance events via the digital-ready Facebook page. To date, the program has partnered with Impact Communities, the Council on the Ageing and the Smith Family to provide targeted digital assistance to fill gaps in existing digital pathways for target cohort groups. Now, I do not have the number of people, but I am happy to find out if I can how many people have been involved, because that is a very material question.

Ms WEBB - Things like what was described on there as an event on Facebook, some sort of response event is that answering a question someone has popped on the Facebook page, for example, just to describe in a little bit more detail.

CHAIR - You were saying, can I teach you how to use Facebook page, were you referring to that comment?

Ms WEBB - No, when the minister was describing the activities occurring, there was an activity described. I thought it was an unusual way to describe it, it sounded like -

Mr FERGUSON - Promoting the service via active Facebook page?

Ms WEBB - No, there was another one. It does not matter, it is not important; that is okay.

Mr FERGUSON - I will certainly ask the department to check in with our partner organisations around. If I may just quickly say we would expect the number not to be extravagant because of the fact people have more or less been invited.

Ms WEBB - So selected in. Can I just check is this part of a response to the PESRAC Interim Report, which clearly identified that -

COVID-19 has amplified the need to have digital access recognised as an essential service for all Tasmanians. Tasmania performs poorly on all three measures of digital inclusion – accessibility, affordability and overall ability to use digital technology for work, study and day-to-day access to essential services.

This program sounds like it is targeted towards overall ability to use. Regarding those other measures of digital inclusion, accessibility and affordability, what is being undertaken?

Mr FERGUSON - To answer the question, no, it is not in response to the PESRAC recommendation, because it preceded it.

Ms WEBB - But it fits alongside it.

Mr FERGUSON - It does and it definitely should mould as well - we should shape it to adapt accordingly. I might ask Dr Rutherford in a moment to come in with some extra comments. But this is a PESRAC recommendation the Government has accepted. We will be progressing more. There is a joint role here, although the one you are referring to is led by State Growth in partnership with Education and Communities Tasmania.

Dr RUTHERFORD - One of the things we have noticed is a changed pattern in the use of our free public wi-fi. Because there is a key issue of accessibility, we are seeing much more active use of the free public wi-fi in areas that were not really tourist hotspots. I instance the Glenorchy bus mall. We should not underestimate the empowerment that has given people in access to benefits and social services during the COVID-19 outbreak. We have had a lot of learning on how this works. In moving back to the physical world, the promotion has flicked back again through Service Tasmania and the libraries principally to try to draw attention to what is available.

Ms WEBB - That increase in the use of public wi-fi availability being noted as having occurred, has that prompted consideration of further investment in the state into those sorts of services being provided and the state Government actually taking initiative to actively ensure we have expanded areas of public wi-fi available, particularly in disadvantaged communities?

Mr FERGUSON - It is our initiative.

Ms WEBB - Given you have noted the increased use of what is there, have you been prompted to consider and invest in an expansion of that?

Mr FERGUSON - What we want to do is - I would probably take back a step here. This was an initiative of our Government and we worked with regional tourism organisations to identify the appropriate locations because, quite specifically, its first principle was about supporting tourists to enjoy their time in Tasmania, to feel that it has good access, including for people who are connected to SIM cards from their overseas provider who are not using roaming data or have not purchased a local SIM, or for some other reason.

We wanted to ensure that it was about a tourism experience, but the corollary it has reflected is that in some places, particularly places like Glenorchy CBD, it was identified that you have quite a lot of people using it who aren't tourists. So we definitely will take that on board; I don't believe it is the answer though, by the way, because we have access points around the state. Perhaps the better play is to try to find ways to engage with the telcos and allow them to support their customers better, particularly those who are on margins of digital inclusion. It is much more ubiquitous that way.

Ms WEBB - Having noted that this social equity and inclusion outcome has been observed in the use of public wi-fi in low-income communities, has that prompted you to consider expanding some of that for that purpose? Beyond the tourism initial intention, are you considering expanding public access to wi-fi in low-income or disadvantaged areas of the state to pick up on the success you have seen in Glenorchy?

Mr FERGUSON - That is potentially the case, but I am waiting for the advice as we work through the PESRAC recommendations, noting that State Growth is working with Education and Communities.

CHAIR - Could I just jump in with a question, minister? I note that the Digital Future document was prepared in March 2020, which was before COVID-19 really became an issue for Tasmania. It became apparent pretty quickly that there are a lot of disadvantaged communities - I know certainly in my electorate - where children could not learn from home digitally. Whilst they could be at home with their parents, they could not study digitally so

they were provided with hard copy. What changes, if any, will you make to this strategy to address those specific areas because I think it really exposed the very real gap in some of our more disadvantaged communities around accessibility, but also ability and certainly affordability.

Mr FERGUSON - I think it is a great comment and question, as well as from Ms Webb. We have the free wi-fi network, which is currently operating in 70 locations around the state. The model is owned, built and run by Telstra. It was the winning bidder in terms of the original tender procurement; however, it has government branding, it has government messaging and it has government SSID. To reach more disadvantaged people, I would be open to the advice and I do not have that advice, but I would suggest that reaching more people in disadvantaged communities is probably not best achieved by expanding a free wi-fi network because -

CHAIR -No, minister, I am not suggesting that; I am suggesting more targeted measures are needed and I wondered what you are thinking there?

Mr FERGUSON - That is what I was coming to, which is more targeted, that where people or population groups are identified, who for some reason are disadvantaged or excluded from digital technology or services at a price they can afford, that is something we are working with Education and Communities on. I am happy if you want me to add to that.

CHAIR -And specific change to these strategy positions or renewed focus in particular areas that what I am interested in because this was pre-COVID-19?

Dr RUTHERFORD - I think we would see that the leverage we have through the groups we did engage with - the Smith Family, COTA and even MyState - has been pretty good. Regarding what we were doing with the original strategies, the difficulty is always: how do you get the bridge to the stakeholders you want to reach? As you would appreciate, in State Growth our direct links with a lot of those stakeholder groups are a bit thin, and so we must work and leverage connections in particular through Communities, but also through the non-government organisations that have that connection. It is very difficult to make that connection work. I have been involved with work in the past where we hoped to use groups in the community that we thought had good interaction, and when we ran a survey on it, we found actually they didn't. It is a tough nut to crack. We were working through Libraries in particular -

Mr VALENTINE - What about child and family centres?

Dr RUTHERFORD - You have to hit the buttons where they are. We are not the experts in State Growth, so we need to work in particular with the Department of Communities. During COVID-19, when we were trying to get food and supplies out, we could run a side of it in terms of procurement, but actually knowing where and when was much better dealt with by agencies with those direct connections. The point is well made, but we need a synergistic approach in government to hit this one.

CHAIR -You weren't here at the time, Bob, when we talked about this, but it takes me back to the question about a whole-of-government approach to IT, and building up the capacity within government to have a fairly consistent approach to Our Digital Future.

Mr VALENTINE - Future readiness.

CHAIR - Future or whatever you want to call it, because it means a heap of employment opportunities, for a start, but it would also mean a more consistent approach to these areas. I know Dr Rutherford indicated he is not necessarily an expert in community space, but is there any thought about having that sort of more complete service? I assume it would sit within this area.

Mr FERGUSON - Let me go back a step. First of all, Our Digital Future is date-stamped March on the cover, but it was released in June. We spent a couple of extra weeks and probably two more months working through. It wasn't released pre-COVID. We released it mid-COVID, and we updated it during that time to include further recommendations about COVID recovery.

Without labouring the point, let me fill you in. We added a workstream to the Our Digital Future Strategic Action Plan - five additional items. The first was to review and analyse COVID-19 emergency response learnings and challenges; the second, to collaborate with industry and peak bodies to consider existing proposals and new opportunities; the third was work with all stakeholders to scope opportunities to support a stronger Tasmania; the fourth was monitor, review and refine strategic planning and major action pathways to support recovery and renewal; and the fifth, to support the recommendations and outputs of PESRAC.

The first of those has started. The latter four, as at June, were to be started.

It is an indication that we want to mature in this space and not sit still, because we want to take people with us, whereas Our Digital Future is about working internal to government public-facing services supporting the growth of the industry, but bringing the community with us. We are the only strategy in the country that has chosen to do that trifecta so that we don't leave people behind.

CHAIR - Back to the question: is there any desire, willingness or intent to do a whole-of-government IT hub, if you like, where the Government employs people to provide a consistent approach to that across the whole public service - our schools, hospitals, police, justice?

Dr RUTHERFORD - I'm not aware that we have ever gone there. In areas where we have had to link across government and deal with individuals, we have often run into the issue of sharing of information. It gets really complicated.

CHAIR - I'm not just talking about sharing information. I am talking about similar systems and supports, so that the Government has this intellectual grunt to support the departments.

Dr LEWIS - With the technology roadmap, one of the things we are looking at doing is incorporating both the learnings out of COVID and the PESRAC recommendations, and also the State Service review, of which the interim report was released this morning.

CHAIR - Was it just?

Dr LEWIS - The Premier announced it this morning. One of the key focuses of that interim report is One State Service, so we are guided by that as part of the technology roadmap, and looking to consolidate systems where it makes sense. That work is underway.

During the early part of next year we intend to undergo consultation about what's achievable in that space and what will have the biggest benefit and least risk for government to achieve those consolidated services.

Ms WEBB - One final digital inclusion question. It's a really quick one.

CHAIR - Yes. Then we will have to move on.

Ms WEBB - As you mentioned, minister, we have improved our score on the Australian Digital Inclusion Index in the last iteration. The next one is due in 2022, to measure that index again. Do we have a target we're aiming for, to hold ourselves to account for improvements made in that space?

Mr FERGUSON - Continuous improvement.

Ms WEBB - Yes, but that could be half a point better. We don't have a particular target we're aiming for, to focus our attention in the efforts being made, that we would arrive at a particular number on that score and recognise that as an appropriate level of success?

Mr FERGUSON - I won't guess a number and, no, I don't have a target. We want to continuously improve. You might say the only target worth having is 100, but I'm not sure that that's -

Ms WEBB - No, but we could set realistic ones for improvement, couldn't we?

Mr FERGUSON - Yes, we could. I will take that on notice, or on board, because these are the first steps of a Tasmanian government, ever, to have a deliberate strategy around digital inclusion and literacy. We've been working with industry. In fact, this issue actually came to me from industry a number of years ago: Can we do more working with the Government to promote a greater ability by our community to use the technology? To access it in the first place, then to feel comfortable using it?

Mr VALENTINE - TasICT, is that what you're -

Mr FERGUSON - It wasn't TasICT, no. It was one particular firm, and it was an individual in that business who came to me and said we want to do something here. From there we took it to TasCOSS and developed the Digital Ready for Daily Life initiative, so we definitely want to keep improving. We're coming from the back of the pack. I believe we may still be at the back of the pack, actually, and we just want to continue to improve.

Although it's not something I'm able to put too much meat on the bones at the moment, it has also been the subject of discussion between digital ministers around Australia, from different jurisdictions, so we are looking for ways that we can actually help each other. The good things we're doing here in Tasmania: How could we share those with our other colleagues and, equally? What could we learn from them? That's actually where we started. That has happened this year as well.

Ms WEBB - Just to be very clear, in case I have misinterpreted it. The measures covered here - Digital Ready for Business; Digital Ready for Daily Life - predated COVID as initiatives

and ideas under your Government, which were really positive? Would it be fair to say, then, that there is no new investment in digital inclusion in this Budget?

Mr FERGUSON - There's massive investment in this budget for ICT, but for inclusion -

Ms WEBB - Digital inclusion, though.

Mr FERGUSON - For inclusion specifically, what we're trying to do is stand Digital Ready for Daily Life back up in its original intention, which I don't propose should change because of COVID. If anything, I think we've proven that it was needed, but what prevented people from accessing that program was the inability to do that face-to-face.

Ms WEBB - But no new additional investment in this Budget in digital inclusion?

Mr FERGUSON - Not specifically with inclusion, but we're trying to actually stand up our first ever attempt at this, and to do it properly, and we still haven't even been able to run it for a length of time that would allow us to evaluate it. No doubt our partner organisations and the department will be able to give advice on that, and I would like to see it run at least for a year before we change direction.

Ms WEBB - Yes. I am not suggesting we change direction. I am just suggesting, given the priority given to it by PESRAC, new and additional would be good.

Mr FERGUSON - As with any of the PESRAC recommendations, if they're not already completed - and this one is not - we are very clear that this is a further work-in-progress.

Mr VALENTINE - With the 2017 budget - and you've mentioned a bit of this in your overview, but I would like some finer detail, really - the Government allocated \$60 million to a digital transformation fund. Could you explain how these funds have actually been allocated and spent?

Mr FERGUSON - If I had the Treasury officials with me, I would be more comfortable doing that, because that's being handled through the SIIRP process of Treasury. The original \$60 million you're referring to, was that from 2017?

Mr VALENTINE - Yes.

Mr FERGUSON - That has been fully utilised.

Mr VALENTINE - Yes. I'm just -

Mr FERGUSON - Maybe I could take it on notice.

Mr VALENTINE - Could you do that?

Mr FERGUSON - I could, yes, happily.

Mr VALENTINE - I would appreciate that, if you could provide some detail as to which projects, time frames and expenditure.

Mr FERGUSON - Yes. I can definitely inform you without the advice that there was a Health project, there was a Project Unify and there was a Justice Connect project. There will no doubt be others.

Mr VALENTINE - Are the child and youth system and digital health transformation part of that?

Mr FERGUSON - I would like to check that one.

Mr VALENTINE - I will let you come back with that.

Mr FERGUSON - I will provide you with a breakdown from the Treasury officials as to how that \$60 million was allocated.

Mr VALENTINE - Regarding the work done in this line item, are you able to identify which policy documents the government unit has prepared since last Estimates, and what documents and other outputs are expected as a result of the significant increase in appropriation?

Dr LEWIS -Yes, e-Government has changed into Digital Strategy and Services.

Mr VALENTINE - That is what it is called?

Dr LEWIS - It is, yes. The policy documents and policy releases associated with the release of Our Digital Future included the Tasmanian cloud policy. That is about a cloud-first approach, a risk-based approach for cloud for Tasmania. That aligns with, and is part of, the consultation. That new policy has very strong support, both from local industry and mainland industry. One of the other key policy documents we have is the cybersecurity policy. That is critical, again taking a risk-based approach to cybersecurity for the Tasmanian Government. Part of that is developing a suite of standards for cybersecurity, such as email and identity and that type of standard. Three of those standards have been developed collaboratively across all agencies and agreed through the government structures, through the Digital Services Board and published online publicly. There is a fourth standard in development now, and the cybersecurity funding that has been committed as part of this Budget will support agencies to achieve those standards.

Mr VALENTINE - I noticed that there are not any performance indicators in the Budget Papers. I am interested to know when they are likely to be developed. We have no measure of the output in that sense.

Mr FERGUSON - I will have to take that on board, Mr Valentine; I do not have advice on it. I think it is reasonable that we have a performance indicator, but I would need to get advice. It would be something to consider for next year's budget papers.

Mr VALENTINE - It would be good to have some benchmarks and quality standards and those sorts of things associated with it. With respect to these policies here, quite clearly if you are just developing them, you are not going to have much take-up from the departments yet. How are you finding departments actually taking on the policies that you have been pushing over the last two or three years? Is it at a high level or a low level? Maybe that is one of the performance indicators we could see.

Mr FERGUSON - I think it is at a high level. Every agency has its own responsibility. It is a bit like HR - they each have their own responsibilities to deliver, but they need to do it in a way that is consistent with the central government overarching policy. That is exactly where we are heading now.

Mr VALENTINE - If you want cohesion, that is what you have to do.

Mr FERGUSON - The best example I could offer you is the one I mentioned this morning, that we have had every agency agree to jointly move to a shared finance package under TechnologyOne as a service contract. That was, I think, proof positive that agencies are prepared to work together, and need to do so, in order to provide better services to their staff and a more professional working arrangement.

Mr VALENTINE - The software is a service? You might want to expand on that a little bit. That is the one that I brought up in the other line item.

Mr FERGUSON - I will definitely throw to my expert here on this one, but with my level of knowledge, it means that the user of the package is unaware of where the server is, or how the data is stored; it just works for them. It works on their Microsoft surface on their desk, not plugged in, just using wi-fi. It could work on a hotspot at their home; it could work at their desk plugged in to a docking station. But in fact it is a service that is not even on a government server. It is on the third party vendor's own server, and they're responsible to our server standards on security and service standards. Basically, what it means, is that you are getting a product you don't have to run.

Dr LEWIS - In terms of software as a service, perhaps if I take a step back. It is one type of cloud service. Cloud services are generally categorised in a set of hierarchy. At the lowest level in the hierarchy is 'data centre as a service' - it is where you have your infrastructure. You are basically paying for the data centre facilities, and put your own infrastructure in there, host and run your own, and provide all the support on that infrastructure in the applications.

The next layer up is 'infrastructure as a service'. So, then you are getting the infrastructure and the data centre services, and you're providing the application support and running the application. The next layer up is the 'platform as a service', where you are running the platform. The highest layer is 'software as a service', that's where the whole infrastructure, all the support around it, is provided as a service to you, in an agile way. Typical examples of software -

Mr VALENTINE - More than one provider?

Dr LEWIS - Software as a service can be provided, depending on the software, by many different providers. Common examples that people might be aware of as software as a service, are things like email services from Gmail, or Office 365 services for teams, or Word online, or Office 365 email. They are typical examples of that, but you can get specialised software as a service providers, who provide things like the TechnologyOne finance service as well.

Mr VALENTINE - As far as cloud hosting is concerned, is that third party, or is that a government facility? How do we have confidence that it is secure?

PUBLIC

Dr LEWIS - We have contracts in place to provide arrangements for those services, ranging from infrastructure as a service, data centre as a service up through the stack. Part of those contracts and part of the process is ensuring the vendors adhere to our cybersecurity policy and our cybersecurity standards, which is ISO27 001 risk-based standard.

Mr VALENTINE - I would love to get a diagram of what you just described in terms of the hierarchy.

Mr FERGUSON - Easily done.

Dr LEWIS - It's actually in our cloud policy.

Mr FERGUSON - We might drop in a copy of the cloud policy for -

CHAIR - That is the one that is online is it?

Dr LEWIS - It is, yes.

CHAIR - There you go.

Mr VALENTINE - How good is that?

CHAIR - There is a diagram, it may not be suitable to your needs. I don't know.

Any other questions? Excellent. Well, thanks, minister for that. We will move to State Growth.

The Committee suspended from 4.28 pm to 4.35 pm.

DIVISION 11

Department of State Growth

CHAIR - I welcome the Minister for State Growth; minister, might need to introduce the members of your team.

Mr FERGUSON - Thank you, Chair. I introduce, again Dr Bob Rutherford, Deputy Secretary Industry and Business Development, and Mr John Perry, Coordinator-General.

CHAIR - Do you want to make any opening statement in relation to this area, minister?

Mr FERGUSON - Thanks, Chair. It is a brief statement. Across the State Growth portfolio we have pushed out a range of programs and initiatives designed to assist our recovery, as well as many programs that have continued on throughout the pandemic and continue to provide a boost to our economy. While many support packages have been administered through portfolios, including Small Business, Education and Training, Events and Energy, the State Growth portfolio and the Tasmanian Development and Resources Board have overseen a range of financial assistance packages to support businesses to recover. These include the \$50 million COVID-19 Business Support Loan Scheme, made available to support business continuity, viability and sustainability during the height of the pandemic, but also the

\$60 million Business Growth Loan Scheme to help Tasmanian businesses recover, adapt and indeed grow and to support new projects that contribute toward employment.

We continue to oversee both the Hobart and Launceston city deals, both of which are creating development and construction activity and making both cities more affluent and liveable. Both programs are investing significant funding commitments and leveraging even more. The initial commitments are generating broader regional outcomes with funding contributions for the Launceston deal reaching \$509 million and the Hobart City Deal reaching \$1.75 billion. Both city deals are progressing extremely well, even with some delays due to COVID restrictions.

Most recently the Macquarie Point Development Corporation selected its preferred proponents to continue to the next stage of the competitive bid process. Two outstanding short-listed developers will now move through to the request for proposal stage. We are fortunate we have strong interest in the site, and I am happy to advise we have chosen what I am advised is the best. from a variety of local and national proponents. Looking forward, one of the most significant tasks any government can take on is attracting new investment which means new business, new money and new jobs. It is obvious our supportive investment policy is seeing business confidence in Tasmania consistently above the national average and developers continuing to look to Tasmania to develop major projects.

Through the Office of the Coordinator-General, we saw more than \$673 million of investment facilitated across the state last financial year and the office has more than \$3 billion of investment projects currently on its books, with proponents covering sectors including green hydrogen, mining, agribusiness, food processing and the digital economy and forestry. Of course, the State Growth portfolio continues to provide a range of services, support, funding and administration across the state focusing on key sectors to promote economic growth.

It is also a key go to for the provision of strategic policy and coordination functions across government and it has been vital to our decision making throughout the pandemic crisis. I know the Premier, myself and my colleagues often reached out to the Department of State Growth and the people beside me to provide important advice about how we could do our best to sustain the economy during a time when businesses were under such pressure but, as important as that, how we could provide strategic guidance on measures to support economic recovery which we are now in.

Output Group 1

Industry, Skills Development and Business Growth

1.1 Office of the Coordinator-General -

CHAIR - You just touched on the impact of COVID 19 and the role of the office during COVID 19. I am interested on how that impacted on the capacity of the Coordinator-General's office to undertake the work, particularly as previously there had been a lot of travel, a lot of direct connection with potential investors and others seeking [inaudible]. How has that impacted you and how have you managed?

Mr PERRY - It has a significant impact. We have continued to engage with companies via Skype, WebEx et cetera. We have also been doing some work to enable people to view

different sites. For example, we have drone footage that we have commissioned for different things because people cannot travel here. Part of the work has pivoted, so we have also done a lot more focus on work to look at projects that have stalled, but may be able to start again, so that is interstate, local and overseas.

I think it is fair to say the experience internationally has been that, through the most significant part of COVID, probably 60 to 70 per cent of projects were put on hold. Some of those are still on hold. Then a variety of different impacts have happened since around financing. For example, foreign direct investment has dropped about 50 per cent worldwide in the last six months.

So there have been a lot of changes, and we are still monitoring how that is going to impact going forward. We are continuing to work on all the different leads we have and to keep pushing through the pipeline to make sure we have got work coming through.

CHAIR - Just following up a couple of those things. The 60 to 70 per cent of projects that are stalled or are potentially on hold - is that purely as a result of uncertainty about the future, about economic uncertainty? What are the key reasons for that, because it will take me to the next point.

Mr PERRY - Every project is different, but really they have stalled because of uncertainty, they have stalled because of finance, they have stalled because of a particular impact on sectors, they have stalled just because of the inability to travel and to conduct full diligence. All sorts of different things are driving different responses. Having said that, there are other projects which are unaffected. In fact there are a number of sectors that have not been impacted, or have been impacted positively.

CHAIR - What sectors have been impacted positively?

Mr PERRY - Different commodity prices have increased more recently. Obviously, for the first three months there was a dramatic change, but then, coming out of some of those areas, manufacturing, for example, has increased in different ways. It really is a mosaic of different impacts. Some things have been very significantly negatively impacted, and some positively.

CHAIR - Just following on from that, leading into the question I really want to focus on. We all have had to do things differently for a period, and thankfully here in Australia we are not so restricted as many other places in terms of the movement of people and things like that. But clearly a lot more people have been working from home and using digital technologies to communicate.

Have local opportunities been identified, like the trial buses we are talking about being built up on the north-west coast? There is huge capacity on the north-west coast for advanced manufacturing, as you know, minister.

I was just wondering what other opportunities you are looking at locally. It is all well and good to get international investment, and even national investment is less of a challenge now that Victoria seems to be fairly well sorted. But are we looking at local Tasmanian opportunities for doing things in Tasmania that perhaps have not been done before?

Hydrogen is one of them, perhaps. You can talk about that, for sure, but are there other aspects? That would rightly fit within the Coordinator-General's role, because surely it is not just about trying to get overseas investment?

Mr FERGUSON - John, can speak for himself in a moment, but his job is really to land investment and to undertake investment attraction activities. That can and does include local proponents as well. John and his team have a particular focus on working with a proponent, then taking that case on board and seeing what can be done across government to help facilitate that. So, John, over to you.

Mr PERRY - I think we have been doing more work with local projects in the last six months than we might have done previously. It is fair to say that a lot of the work we do is also, as the minister said, working with projects right throughout, so there is the initial attraction and the work to identify opportunities. There is the work to identify opportunities, there's the work to identify different ways to progress a project but then there's also a lot of work that goes on for, in some cases, a number of years, working alongside the proponents as they work through their process, and we do that both for domestic proponents as well as interstate and overseas.

CHAIR - I mentioned hydrogen as one option. We've seen a bit of media around that recently. The other opportunities I see for Tasmania, though there are some barriers, include data storage capacity. I know you can't talk about some stuff potentially if there's live things on the go, but I am interested in what is being done in that space, minister, or those two areas.

Mr PERRY - We've spoken to a number of different proponents. One of the things -

CHAIR - In relation to hydrogen or data storage?

Mr PERRY - In relation to data processing. We have an interstate investor that is working in Tasmania as well. One of the challenges around pure domestic play in relation to data storage is just the quantum of data storage on island, so really you need to have companies that have processing requirements or data from elsewhere in order to warrant further investment here. We've got enough capacity on island, so we've been working with a number of different proponents in relation to that.

CHAIR - Have we currently enough energy for that? To have significant data storage?

Mr PERRY - I believe so.

Mr FERGUSON - It's certainly my advice as well that an energy deal would not be the barrier to landing such an opportunity. The barriers actually tend to have more to do with storage and content-creating firms' desire to locate a facility here in the first place when the services here are reasonably meeting our existing needs domestically. We always look for opportunities and we have explored a number of them from time to time but they haven't come through to a positive outcome yet but we're still in the market, always are. Sorry, as your question hints at, data storage facilities can be big consumers of energy.

CHAIR - They are. That's a point.

Mr PERRY - But that has not been presented as a barrier for us.

CHAIR - So, \$673 million of investment, are you able to give us a high-level breakdown of investment? I am not asking for all the nitty-gritty details because I'm sure some of it is probably sensitive - but a high-level breakdown of that?

Mr PERRY - Yes. There are a range of different projects. There's progress in relation to cross-laminated timber; there's a project in agriculture; for manufacturing. There's tourism investment increase. There's further investment into the Northern Cities Projects - a range of those. There's additional money into the Launceston City Deal. There's money in relation to defence. There's approvals in relation to a wind farm. There's a range of other mining. There's some more investment in hotel development. There's some other agriculture and some technology and biochemical.

CHAIR - Nothing medical?

Mr PERRY - There's one that's related to medical.

CHAIR - Okay. In the agricultural space, what sort of things are we talking about? Are we talking about value-adding our own product here or what are we actually talking about?

Mr PERRY - Yes, manufacturing using our own raw materials.

CHAIR - All right.

Mr VALENTINE - I am interested in how many projects are actually involved in that 67 per cent stalled?

Mr PERRY - The figure I was talking about was in relation - that's a national and international figure so I am talking about - that's the experience we've seen around the world.

Mr VALENTINE - As far as you're concerned, regarding the numbers stalled that you have, do you have a number on that?

Mr PERRY - I couldn't give you a strict number because when I say 'stalled', there is everything from the company has said they are still under consideration, that they are looking -

Mr VALENTINE - I know you explained that before, but I was just wondering if you had numbers.

Mr PERRY - I could not give you one directly.

CHAIR - Any other questions to the Coordinator-General? Just before we move to 1.2, Industry and Business Development, I note the footnotes related to this indicate you have three ministers dipping into this area, yourself, Mr Rockliff and Ms Courtney. What specific areas you are responsible for in this?

Output Group 1

Industry, Skills Development and Business Growth

1.2 Industry and Business Development

Mr FERGUSON - My responsibilities would be the business community generally, excluding small to medium, certainly your major industrials. I work with the Tasmanian Development Board and the Coordinator-General. That would be a fair summary, I think, of my work in this portfolio under that output.

CHAIR - Macquarie Point comes into your purview, advanced manufacturing?

Mr FERGUSON - Mr Rockliff.

CHAIR - It is too; so Norske Skog?

Mr FERGUSON - Norske Skog is one of the four major industrials I look after, but together with the Energy minister usually.

CHAIR - We have already talked about the North West Coastal Pathway, but improving coverage for the Great Eastern Drive? That would be nice for people who drive up the Tasman Highway.

Mr FERGUSON - That particular one is actually being funded through my Science and Technology portfolio.

CHAIR - I just want to clarify what areas we were actually covering.

Mr GAFFNEY - A lot of what has been discussed, I will just recap on this - it talks about this line focusing on maximum growth and job creation through business and industry. It talks about range of services that support the growth of Tasmanian businesses, international engagement, international brand building, the Antarctic Gateway. We understand some of the impacts of COVID-19. Just clarification for me here: I think footnote 5 is incorrectly worded in the fact it says, 'The increase in Industry and Business Development in 2021-22'; it either has to be the decrease in industry and business development 2021-22, or be increases in industry and business development in 2020-21.

Mr FERGUSON - What page are you on?

Mr GAFFNEY - Page 327, footnote 5 under this item shows there is an increase in the footnote in 2020-21, then a decrease in 2021-22. It does not matter, just -

Mr PERRY - I think it relates to reprofiling of the funding for the university development project. It is just reprofiling them over a number of years.

Mr GAFFNEY - I am not really concerned; I would like a breakdown of where it says, footnote 5 -

The increase in Industry and Business Development ... primarily reflects profile of funding for Macquarie Point Project Funding (Elizabeth Street Pier

PUBLIC

Sale Proceeds), Advance Manufacturing, Norske Skog financial assistance ...

Can you give me a breakdown of the funds for each of those five or six different areas and table them for us so we can see where that funding is?

Mr FERGUSON - I think you have just read footnote 5 on page 330.

Mr GAFFNEY - Yes.

Mr FERGUSON - Okay.

Mr GAFFNEY - It reflects those five things. We just need to say, 'Okay, how much money has each of those' -

Mr FERGUSON - We will provide that to the committee if we do not have it to hand, or do we? Chair, I would like to introduce Glen Dean, Director Finance, to address Mr Gaffney's question.

Mr DEAN - As the minister said, that breakdown increase is largely made up of the Macquarie Point amount, which is \$5.245 million. The North West Coastal Pathway is \$3.12 million. Although it is under the Science and Technology portfolio, the improving mobile coverage for Greater Eastern Drive is \$3.066 million.

Mr GAFFNEY - And Norske Skog?

Mr DEAN - Norske Skog is a rollover of \$1.075 million.

Mr GAFFNEY - Interestingly, over the forward Estimates for the next four years there seems to be a decrease under that portfolio heading, Industry and Business Development - it goes down from \$39 million to \$21 million over the forward Estimates. On page 327, under 1.2, industry, you can see it peaked on 2020-21 at \$39 million and then by 2023-24, it goes down to \$21 million. Is that because projects are finalising? I need to understand why there is that decrease under the Industry and Business Development heading. It looks like the funding has either finished somewhere or it is not going to be there.

Mr FERGUSON - Did you catch that?

Mr DEAN - Largely the Macquarie Point is only a once-off funding for this current financial year, so that funding ceases over the forward Estimates. Likewise, the Norske Skog funding and the North West Coastal Pathways' \$3.12 million drops out at the end of 2021, and there are a range of other projects, smaller amounts that aggregate up, that start decreasing so yes, there are a number of ceasing initiatives.

Mr GAFFNEY - I understand it is very much a floating fund because if something else comes on board.

Mr DEAN - There is general base funding that funds operations of the Industry and Business Development funds. There are the ons and offs in each budget for initiatives. It ebbs and flows in that area.

CHAIR - What is the base funding? Obviously, the ups and downs are related to projects. What is the base funding to keep it?

Mr DEAN - Base funding is roughly about \$16.9 million plus \$300 in indexation generally but that is across advanced manufacturing, whole industry portfolio.

Mr GAFFNEY - I'm fine.

CHAIR - I was going to talk about those projects that were listed, some of which go across different portfolio areas. I am wondering if you can tell us how much has been spent already in some of these areas, because Norske Skog was rolled over, you said? How much has been spent and how much is still to go on each of those projects?

Mr DEAN - I would have to take that on notice and get back to you but, yes, we can provide that information.

CHAIR - All right. As far as the \$5.2 million for Macquarie Point, what is the purpose of that funding?

Mr DEAN - The initial cash injection for Macquarie Point.

Mr FERGUSON - This was promised funding from the proceeds of the sale of the Elizabeth Pier.

CHAIR - Is this the full proceeds of the sale?

Mr FERGUSON - Not the full proceeds. It is \$5.245 million. This is coming back to the corporation and it is a longstanding commitment that has been met.

CHAIR - What do you as minister hope to see Macquarie Point do with this money?

Mr FERGUSON - It is obviously to continue its operations, staff and overheads, but right now we are at the critical phase of finding a development for the escarpment which is parcel A, which I referred to earlier in my opening address. Things are coming to life there because the site at the end of this year will be something like 80 per cent remediated. Plus, some service relocations have happened and together with the new road access coming on to Davey Street and moving on to the Northern Rail Corridor a lot of good things are now coming to a critical point. This funding will ensure the corporation can continue to be solvent, do its good work and prepare future parcels of land for release.

Ms WEBB - To clarify, it is funding for the corporation to continue operating with staffing and associated costs?

Mr FERGUSON - And remediation.

Ms WEBB - Some of the funding is going to go into actual remediation or other active projects on the site itself? Do you know what breakdown it is of the \$5.5 million in terms of what goes to helping the corporation continue operating versus, doing actual things on the site?

PUBLIC

Mr FERGUSON - I can certainly take that on notice.

Mr DEAN - I do not have that information.

CHAIR - Does this also include the relocation of the sewerage and wastewater?

Mr FERGUSON - Not in this funding. That is externally grant-funded through Treasury to TasWater, but obviously the Macquarie Point Development Corporation has a major interest in it.

CHAIR - Is there a time line for that?

Mr FERGUSON - Yes, 2023 is the date I have been advised.

CHAIR - Sorry, 2023 will be the completed relocation?

Mr FERGUSON - Correct.

Mr VALENTINE - Just further to the Macquarie Point remediation. I thought funding was provided by the Commonwealth, wasn't it?

Mr FERGUSON - Yes, \$45 million.

Mr VALENTINE - You just talked about some part of that \$5.245 million going to remediation as well. Can you just explain?

Mr FERGUSON - I have undertaken to take on notice a breakdown of the \$5 million. I do not know what portion of that is for remediation. I did say that the remediation is coming to about 80 per cent complete. It is a major, major environmental task and it is progressing extremely well. Plus, we need the organisation to continue to have the capability to run the projects, including the land release, the sale process of the escarpment, and the overall development proceeding, including the Antarctic and Science Precinct work.

CHAIR - Do we have a final design?

Mr FERGUSON - We have a master plan. It is a locked-in master plan approved by the Planning Commission, and there are no longer any questions about the site master plan.

Ms WEBB - Just to clarify a little further. When you provide us with information about what element of that \$5.245 million goes to the operation of the corporation, and what goes to other activities, could you also indicate for us what proportion of the corporation's operating funding that represents, and over what period of time it will be funding the operation of the corporation, so we understand the period of time and extent to which that represents the operating funding of the corporation?

Mr FERGUSON - I will do my best endeavours.

Ms WEBB - Apart from that, what other sources of funding go towards to operations of the corporation? Is it just funded through General Government?

PUBLIC

Mr FERGUSON - This will be its second significant injection of funding, am I right? Well, it is the first significant injection since the first corpus was delivered.

Ms WEBB - And did the first corpus of funding, as you have described it, come from a particular sale of a public asset also?

Mr FERGUSON - No, it came from the federal government.

Ms WEBB - The federal government funded the first iteration of operational funding, and now the state Government is tipping this - we will find out how much - in? Or some portion of that?

Mr FERGUSON - All of the portion is going to the corporation - \$5.245 million.

Ms WEBB - To fund the operation of the corporation?

Mr FERGUSON - Well, yes, it will fund the corporation and its cost of doing business, as well as - I have offered to bring you a breakdown of any component for remediation work, which is ongoing.

Ms WEBB - In terms of the sale price of the pier, what proportion of the sale price was that \$5.245 million?

Mr FERGUSON - It was sold for \$30 million dollars.

Ms WEBB - Thirty million dollars, so it is about one-sixth. Okay.

Mr FERGUSON - I do not think I was in government at the time - I could have been - but originally it was a federally funded grant of \$50 million, \$5 million of which was diverted, and there was a longstanding commitment to bring it back to the corporation - by us, we made this commitment - when the pier was put on the market and ultimately sold.

Mr VALENTINE - Where would the other funds of that Elizabeth Street Pier sale have gone, or is that not in your -

Mr FERGUSON - Treasury.

CHAIR - Just staying on Macquarie Point for a minute - I do not want to go to another area. How many staff or people are employed by the corporation?

Mr FERGUSON - The number of staff - I have some context as well. The corporation only employs staff according to the development which is underway. It has made a deliberate decision to hire people who have not only the skills and qualifications, but also have that broad range of experience across the public and private sectors, as well as a deep knowledge of development and the property industry.

Total employee expenses, including directors' fees and on-costs, for the 2020-21 financial year was \$1.03 million. That excludes capitalised salaries. The cost of fringe benefits to employees for the financial year 2019-20 was \$27 960.

PUBLIC

Mr VALENTINE - Did you say includes or excludes?

Mr FERGUSON - Excludes capitalised salaries. But the number is 14. There are 14 positions on the establishment list for the corporation. Two SES. You haven't asked me about a breakdown, but what if I tell you?

CHAIR - I was going to.

Mr FERGUSON - Two SES positions. There is a CEO and the chief operating officer. There is a director of major projects. There are two project managers, a communications and media position, site operations manager and finance manager. So, there are five there.

There is a facilities manager. There is a project and planning and a heritage officer. There is an administration officer. There are two current vacant positions for a project manager and a stakeholder manager, which will be filled when they are required. There are six non-executive directors, and one executive director. Only five of the directors are paid a board fee, including the chair. So that is our 14 positions on the establishment list.

CHAIR - Will Macquarie Point have any of its own revenue, or is it all relying on -

Mr FERGUSON - It will, when there is a sale achieved on the escarpment.

CHAIR - But normally, though, it is just the rising and selling of assets?

Mr FERGUSON - There is more revenue, but it is at a much lower level compared to what we have been talking about.

Mr VALENTINE - With Macquarie Point, is there a connection still happening with MONA and its input?

Mr FERGUSON - It's now our master plan. It has been registered with the Planning Commission, and we are now in the process of implementing that - or I should say the corporation is in the process of implementing that on behalf of the Government. The first priority now is the escarpment, which is the residential, commercial and potential other mixed uses, retail perhaps - that mixed-use development.

The next priority will of course be advancing the Antarctic and Science Precinct, together with the relocation of the sewer.

Mr VALENTINE - What about the public spaces incorporated into the master plan?

Mr FERGUSON - Yes, all part of the master plan. It is locked in.

Mr VALENTINE - I realise it is part of the master plan, but when is development of that going to take place?

Mr FERGUSON - I don't have that information to hand. I welcome to the table Mary Massina, Chief Executive Officer, Macquarie Point Development Corporation. Mary, I have a question on the development of the public open spaces.

PUBLIC

Ms MASSINA - Thank you, minister. I am very pleased to say the corporation is just finalising the requirements to take up for a consultancy all the work required to look at the public open spaces.

That includes the 13 000 square metres-worth of the park, as well as all the promenades and laneways, as well as how they intersect with the ground floor of each of the builds onsite.

CHAIR - How is that consultant being funded?

Ms MASSINA - That consultant will use some of the moneys that have been granted under the sale of the Elizabeth Street Pier.

CHAIR - Has that consultant been engaged yet?

Ms MASSINA - No, not as yet.

CHAIR - That will go to tender?

Ms MASSINA - Yes, it will.

Mr FERGUSON - Mary, I didn't know you were in the corner.

Ms MASSINA - That's all right.

Mr FERGUSON - You've been listening to the discussion. Is there anything to add to the answers I've provided in relation to remediation?

Ms MASSINA - Other than to reiterate the minister's comments. I think it's a fairly big milestone for the corporation to have 80 per cent of the site physically remediated by the end of this current year. It is worth noting that the site has the highest requirement for approval for development - i.e., we must receive the environmental auditor's approval that the land is ready to develop. We are very pleased to say that we have two significant areas that have received the environmental auditor's approval. That is part of Parcel C, which is set aside for the Antarctic and Science Precinct and, importantly, the 9000 square metres of land that is called The Escarpment, which is currently going through its competitive bid process.

Mr VALENTINE - The environmental auditor, if I can ask that question, who is that does this audit?

Ms MASSINA - Certainly. We work with a variety of firms to remediate, so we have AECOM as well as Coffey, who are our independent environmental auditors. We work very closely with the EPA as well because obviously in terms of remediation and classification of the contaminants, we need EPA approval before we move through to the environmental auditor.

Mr VALENTINE - Coffey is working to the standards the EPA set? Is that what you say?

Ms MASSINA - It actually takes the standard slightly higher and it works to a process that is set out under the Victorian jurisdiction. Tasmania does not have an environment auditor

so the process was put into our legislation in 2015 that we must receive approval from an independent environmental auditor.

Mr VALENTINE - Thank you.

CHAIR - If we might, minister, I'll move to some of the other major industries.

We know that Norske Skog had some financial assistance but are there other major industries, particularly during the COVID-19 period - John said some have actually done perhaps not worse, maybe even better - there's a few people who have actually done better as a result of COVID-19, not very many - are there other major industries that are receiving government support through this?

Mr FERGUSON - Sorry?

CHAIR - Any major industries receiving government support under this area? You've named the big ones; obviously, I'm just wondering if there are others. Obviously big industry is the minister's responsibility, not small business and/or medium either, I don't think.

Dr RUTHERFORD - Minister, are you -

Mr FERGUSON - We will turn our attention to the major industrials and the role that the department has been playing in supporting [Hanly Moirs - inaudible] through COVID-19. I think we should mention Nyrstar with their new ownership and -

Dr RUTHERFORD - Yes, we're dealing with Nyrstar jointly with the Office of the Coordinator-General to support its redevelopment. That's still in ongoing discussions and that's a project which will give long sustainment to the plant.

CHAIR - Are you providing financial assistance?

Dr RUTHERFORD - Not at present. We're in discussions with them over that. It possibly will need some assistance because it's a business that has some very old challenges to overcome.

CHAIR - All of our mining and major industry ones have old plant.

Dr RUTHERFORD - And it's in a location where we would want to handle that very sensitively because it's in the middle of the city, but I think that's a project with a lot of promise, and again that project was held up to some extent by COVID-19 and the delay that John talked about. I think it is back on track for development but it hasn't gone to the Trafigura Board for a green light. We are still talking with them, but we are vigorously engaged.

CHAIR - Which board is that?

Dr RUTHERFORD - Trafigura, they are the owners of Nyrstar. Nyrstar changed ownership and we are still getting a feel for their different investment approach. We were very pleased that a major group like that put its money in and sees a strong future for zinc. Certainly, the local management sees a strong future for zinc and the market going forward looks good. The Cell House is very old; there are photographs of it going back before World War II and

possibly World War I. The technology hasn't been updated and there are occupational health and safety issues with that plant. There is a process to go through, but it is one with a lot of promise.

Mr FERGUSON - More broadly we work closely with our major industrials and the Office of the Coordinator-General is quite instrumental in working with them and identifying their immediate and medium-term needs, and even their longer term needs. At different times we have been able to support these businesses without needing to spend any taxpayers' money. I won't name them but, for example, one of those major industrials has been greatly supported by working together with one of our GBEs; by informing them of the challenges, they have been able to provide terms of trade that are quite helpful for that industry to continue to work and have more confidence going forward. It has been well received and I might invite comment from the Coordinator-General, John Perry, as well in relation to the general regular nature of our engagement with MRT.

Mr PERRY - I think we've been engaged with all the major industrials on a number of different levels - looking at opportunities with them, and also looking at different ways that we could provide assistance. That applies across the board.

CHAIR -Have we had any involvement with Renison with the Rentails project.

Mr PERRY - We've had considerable work with MRT and with the department over a number of years in relation to that project.

CHAIR -What about the Copper Mines of Tasmania - CMT?

Mr PERRY - The department has certainly been heavily involved with CMT. We haven't had much involvement with CMT.

CHAIR -Is it more the Minister for Resources working with CMT rather than through this area?

Mr FERGUSON - It is actually a bit of a combination, isn't it?

Dr RUTHERFORD - It crosses over those lines.

Mr FERGUSON - Mr Barnett, as Minerals and Resources minister, will be doing a lot of the policy work around supporting that industry, and understanding the needs of those individual businesses and leaseholders at a much more intimate level. If and when, and I do stress if and when, there a view was being developed that some support from government would be appropriate, that is when the Department of State Growth and potentially the Tasmanian Development Board might become involved.

CHAIR -They have received quite a bit of support.

Dr RUTHERFORD - Yes, there has been considerable support . We have worked very closely with CMT in its challenges which, to take us right back, came from de-risking the plant after the failure of the ventilation shaft. The owners took a view that there were several potential bottlenecks in the plant which could lead to cessation of mining. Before reopening, they wanted to do quite a lot of work - which the Government supported - to improve the

internal infrastructure that drives that operation. Copper took a bit of a hammering in that time period so it has been a very stressful period for Vedanta. As you know, Vedanta has the mine in a process for sale at the moment.

Ms FORREST - They have some challenges in Africa at the moment as well.

Dr RUTHERFORD - They certainly have some challenges in Africa and were some large geopolitical issues involved in Africa, in their previous holdings in Zambia. But we are confident that process will go ahead. Obviously, there is an intimate relationship with government because of the existing legislation around the mine. Vedanta, to my understanding, did a great job in actually running the mine. It was progressively improving the environmental conditions at the mine, but Vedanta had no responsibility for historic remediation. The legislation, as I am sure members would know, places the liability on the Crown. I suspect that is something that we will not have to worry about particularly because the market is looking strong for copper. The Director of Mines constantly tells me how much copper there is in any new car; it is a massive amount more than previously.

CHAIR - Electric cars particularly.

Dr RUTHERFORD - Yes, electric cars. Even the cars we get now that are petrol or hybrid have much more tech, and the tech means lots of copper. Copper is not an old metal; in terms of the future of the world, copper has a long future. There are strong prospects for further exploration at the mine and Vedanta was intending to put a drive into Western Tharsis. That looks very promising, so like a lot of our west coast mines, there is a lot still to be found.

CHAIR - They have not started that drive into the Western Tharsis yet.

Dr RUTHERFORD - No, I do not think so.

CHAIR - Is that the sort of project they would come to this area about, to talk to the Coordinator-General perhaps?

Dr RUTHERFORD - I think it was envisaged in the previous assistance. As Vedanta grappled - and I use 'grappled' carefully - with the challenges of getting ready to reopen, the balance changed a little bit to improving the proved-up resource, and therefore they incorporated looking at Western Tharsis with a redirection of some of the assistance. We did not alter, we tuned as we have gone through the assistance.

CHAIR - It is still the same assistance - they are using in different ways, right. Any other major industrials, minister?

Mr FERGUSON - We continue to work closely with Norske Skog as well and Bell Bay Aluminium - they are all great businesses and important to the fabric of our economy. They all have different stresses, external and internal, we all know that. But we are here to work closely with them. The obvious one that I have not mentioned, and I would not want to take up too much of the committee's time, is Temco. We have very pleased to be playing a role. I will not overplay it, but we have been playing an important role in bringing that opportunity to a potential purchaser who has a strong belief in the future of that site and what it can do in -

CHAIR - Hydrogen?

Mr FERGUSON - Well, GFG is on the record as looking to purchase the business from South 32. While they do have aspirations around hydrogen, they actually believe that the manganese smelter can play an important role in their greater business globally. That is only a good thing for George Town and for Tasmania.

CHAIR - Another major industrial with some pretty old plant is Grange, when you get up to Port Latta. There has not any work been done with Grange?

Mr FERGUSON - There is. Not in my portfolio, but Mr Barnett has done a phenomenal job - with my support, but he has been more the lead minister on the hydrogen action plan. In fact, Grange is one of the three recipients of feasibility funding support towards the potential use of hydrogen at that plant.

CHAIR - Instead of gas, or in addition to gas?

Mr FERGUSON - I do not understand all of the chemistry, but it is a process that involves the pelletisation process.

CHAIR - It's gas for that. Any other questions. All right we will move to the COVID 19 response ones, 90.3, Business Support Loan Scheme - Interest Costs.

Ms WEBB - Chair, I realised I did not clarify before in terms of RTI's when I had those figures for State Growth earlier: did that include any RTI request related to the Office for the Coordinator-General?

Mr FERGUSON - Because the department does the RTI service for OCG.

Output Group 90

COVID-19 Response and Recovery

90.3 Business Support Loan Scheme - Interest Costs.

Ms LOVELL - Minister, I have some questions about the scheme. I have had a bit of trouble finding a definitive figure as there was some conflicting information. I wanted to confirm with you the \$50 million mentioned on page 298 -

The Government has committed to providing \$50 million in interest free loans ...

Is that the total amount committed to the scheme?

Mr FERGUSON - I will get you the figure, because it will not be precisely \$50 million; it will be an accurate figure, so I will just see if I can obtain that. I will introduce him - I will try not to embarrass him, but he has been doing a phenomenal job: Andrew Smythe, who is the Acting Senior Director Commercial and Agribusiness Finance. Andrew has been running this scheme on behalf of the Tasmanian Development Board. Can you provide the up-to-date figure on the Business Support Loan?

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Mr SMYTHER - There are two loan schemes; the COVID Business Support Loan Scheme, which is now closed, so that is all done and dusted. We are managing those loans as the normal loans management process and have actually started to receive repayments under those loans, which is a pleasant thing. It was a \$50 million scheme.

Ms LOVELL - Sorry, I have several questions about the scheme. Can you confirm how many businesses applied for that loan scheme? You said applications for that scheme have closed.

Mr SMYTHER - There were 691 applications submitted for assessment.

CHAIR - He knew that off the top of his head.

Mr SMYTHER - I looked it up just then.

CHAIR - Oh, did you?

Ms LOVELL - Of the 691 applications, how many were successful?

Mr SMYTHER - It was 363; I will have a look. If you would like a more accurate number, I can get that for you now.

Mr FERGUSON - I thought it was 365.

Mr SMYTHER - Three hundred and sixty-five - there was an adjustment with a couple of applications that withdrew at a late stage.

Ms LOVELL - Have all businesses of the 691 applications been notified if they were unsuccessful?

Mr SMYTHER - Yes.

Ms LOVELL - Are you able to provide a breakdown of the successful loans across key industry sectors at all?

Mr SMYTHER - We would have a broad breakdown. When we put the scheme in place it was classified between hospitality and tourism because there was a key focus on that sector and the seafood industry, and then everything else was bundled into other, so it would be a limited breakdown.

Ms LOVELL - Okay, that is fine. I understand the minimum application or minimum loan granted under the scheme was \$20 000 and \$3 million maximum: Was that correct? Would you be able to provide a breakdown of the value of the successful applications?

Mr SMYTHER - We would be able to do that.

Ms LOVELL - Thank you. Minister, this is probably more a question for you. In terms of the success of the program and reviewing this, if there is an apparent need for this to continue is the Government considering providing another scheme?

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Mr FERGUSON - Yes, we are and we have actually recently opened it. We call it a slightly different name, but it is funded in a very similar fashion as the one Andrew has just been speaking about. We call this the Business Growth Loan Scheme and it is available. It opened in September and provides for loans for up to \$3 million, with a minimum loan mount being \$20 000. There is an interest rate applicable to these loans, but it is a very competitive rate; it is concessional. That has headroom of \$60 million. That is more of the forward-looking loans to allow business. The policy intent behind this one is not so much survival, but actually taking a hold of the new opportunity in growing, hence the growth language.

Ms LOVELL - But those are not interest-free loans.

Mr FERGUSON - They are concessional interest rate loans.

Mr SMYTHE - They are concessional; for loans under \$100 000 that are unsecured. the interest rate is 4 per cent.

CHAIR - In terms of that -

Mr SMYTHE - Would you like him to finish the sentence though, he was just saying what the concessional rates are.

CHAIR - Sorry, I thought he was finished.

Mr SMYTHE - That is all right, for secured loans, generally loans over \$100 000, the interest rate is 2.5 per cent, recognising the difference in risk between secured and unsecured loans.

Mr FERGUSON - You have not asked, but to state the obvious, the department still goes through a very necessary process of due diligence, so we are being mindful of the fact we are protecting as best we can the risk of the taxpayer and ensuring we are loaning to a party able to carry that debt and ultimately to repay it.

CHAIR - Just to follow up, you were saying this is more focused, not on survival as such, as the previous one related to COVID-19 was, this is about moving -

Mr FERGUSON - Growing and expanding, maybe changing your business or trying a new product line or -

CHAIR - Does it have to be some demonstration of a new approach, rather than just treading water where we are to actually secure the loan?

Mr SMYTHE - That is correct, yes.

Mr FERGUSON - Do you want to give an example without naming the business for me?

Mr SMYTHE - We have had a number of applications and of course, they are varied. We had applications where applicants are clearly looking to borrow 100 per cent of what they want to do. Clearly, that would not be responsible lending in that instance. We have tourism developments, a number of applications in the whiskey and gin distillation sector. They vary

between amounts and we might have half a dozen over \$1 million. I can provide a breakdown if that is something the committee would -

CHAIR - I am not sure we are going to get to a critical mass of distilleries.

Mr SMYTHE - There are a lot. Our due diligence takes that into consideration.

CHAIR - Does it? Do you know what the critical mass is? It would be really interesting to know. Any other questions on this one?

Output Group 90

COVID-19 Response and Recovery

90.9 Digital Ready for Business Program

Mr VALENTINE - This particular line item is only \$50 000, but it talks about an extra \$500 000 being provided as part of the Small Business Sustainability and Recovery Assistance Package. Where is that shown in the papers? Obviously, it is not on this line item. There are descriptions for it - the \$500 000 for Small Business Sustainability and Recovery Assistance Package, which is, in fact, \$20 million. Yet the note talks about a further \$500 000 that will also be provided in 2020-21 as part of that particular package. That caused me to look where that \$20 million sits, but you might be able to point me to it.

Mr DEAN - That is under Minister for Small Business.

CHAIR - Is item 90.24 on page 329 the one?

Mr DEAN - Yes.

Mr FERGUSON - I have it on page 310 also.

Mr VALENTINE - What it is saying is there \$500 000 in values is going to go the similar sort of activity this \$50 000 is going to. Is that what it is trying to say?

Mr FERGUSON - Yes, it is; I am agreeing with you.

Mr VALENTINE - I am interested in the coaching, the seminars and the website. Do you have any numbers on how many sessions of coaching have been offered? How many seminars? Where? Spread across the state?

Mr FERGUSON - We do normally have statistics available, so I would like to -

Mr VALENTINE - I couldn't see any performance information but then if it is wrapped in Provision of Information and Advisory Services to SMEs, I think -

Mr FERGUSON - I've got exactly what you're asking. So, as at 13 November 2020, the number I have is 744 Tasmanian businesses received two hours of free digital coaching in the

calendar year and 676 sessions have been held since the COVID-19 escalation began on 26 March.

Approximately 50 new COVID-19 resources were added to the program's website during the height of the COVID-19 pandemic, noting that we developed this website so that we could provide many of the same types of content for people who didn't want to do sessions, or coaching, or who were remote. The number of visits to the Ready website peaked in April 2020. No surprises there. It exceeded 5150 which is seven times greater than the same period the year before.

Since May 2019, the digital check-up tool has generated more than 890 diagnostic reports, the majority of which were requested by small businesses. There are some impressive numbers there.

Mr VALENTINE - Effective is the term.

Mr FERGUSON - Absolutely so.

Mr VALENTINE - At a time when many, many businesses need it.

CHAIR - That's all? We will move to Rural Financial Counselling Service.

Output Group 90

COVID-19 Response and Recovery

90.11 Rural Financial Counselling Service

Ms WEBB - Just a couple of quick questions on this one. So, \$100 000 - it looks like a great program to support counselling services which offer confidential independent counselling to primary producers, fishers and small rural businesses suffering financial hardship.

Is this tipping money into an existing service, or did it create a new service that began this task in response to COVID-19?

CHAIR - It's not the money that went to RAW. This is additional to the RAW money?

Ms WEBB - I am just asking about who is delivering the service. Is the money going to an existing service that was already undertaking this kind of role?

Mr VALENTINE - Rural Alive and Well?

Mr FERGUSON - There is actually Rural Financial Counselling Service - RFCS.

I don't want to guess the answer. I don't know the answer, so I would like to take it on notice. This is the first time I have said today, 'I do not know', but I daresay I would expect my colleague minister, Guy Barnett, would be all over this in his portfolio. It appears in my output, though.

Ms WEBB - A couple of quick questions, which shouldn't be as difficult.

How many primary producers, or fishers, or rural businesses are expected to be supported with this investment of \$100 000?

Mr FERGUSON - I'm sorry. I will need to take that on notice also.

Ms WEBB - I am interested to understand a little bit more, to have you talk me through how that service is going to be speaking directly to the needs of those. Is it because it is being delivered by experts in those particular fields, or is it envisaged that it is going to be encouraging the recipients of the support towards certain sorts of actions, or other forms of assistance that relate directly to those primary producing, fishing and rural business areas?

That is just a broad question around how is it being targeted into those spaces, I think?

Mr FERGUSON - We're doing our best to answer it.

Ms WEBB - Okay.

Mr FERGUSON - Again, I do apologise for lack of clarity, and I will take it on notice.

Ms WEBB - Thank you. I might add one last one, which you may be able to answer directly or add to the ones on notice. I'm interested to have you talk me through the extent to which this service - this Rural Financial Counselling Service - provided with this investment is integrated with, say, the Small Business Sustainability and Recovery Assistance Package more broadly, or other assistance packages towards those sectors just to understand how it intersects, if it does.

Mr FERGUSON - Let's add that to the questions on notice.

Ms WEBB - Thank you.

Mr FERGUSON - I will certainly collaborate with Mr Barnett on that and get you an answer as soon as possible to all of those four points.

CHAIR - Anything else about that? No? Anyone else, anything on that? Thanks, minister. You can let nearly all your team go, I reckon. just We have Marine and Safety Tasmania - MAST - to do. Did you send Leah home?

Mr FERGUSON - I thought we would do that on Transport. Yes. That's part of the Transport portfolio.

Ms WEBB - It's right here in this one, now.

Mr FERGUSON - I have my brief and so I propose we press on.

CHAIR - Okay. Right.

Mr FERGUSON - And we will seek Leah out if she is near the building, but I'm happy to take the questions.

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CHAIR - A misunderstanding there, obviously.

Mr FERGUSON - That is part of the Infrastructure and Transport portfolio.

CHAIR - Yes, except it's a statutory authority so it sort of comes at the end, but anyway.

Mr FERGUSON - I take your point but it's not part of State Growth so I guess let's press on then.

CHAIR - Okay. Do you need anyone else at the table then?

Mr FERGUSON - Yes, same guys.

CHAIR - You haven't a free pass yet, you two. Did you want to make the opening comments about MAST, minister, or not? We can go straight into questions.

Mr FERGUSON - I think we should go straight to your questions.

CHAIR - I will hand over to Mike.

Mr GAFFNEY - Thanks. I don't think they're difficult. I enjoy this authority actually because it's one that has a range of functions and, just to help members, it ensures the safe operation of vessels, provides and manages marine facilities, manages environmental issues relating to vessels, and performs the functions delegated to the authority by the national regulator.

I suppose my questions with this one - because I am aware that other members have questions as well, minister - cover the challenges that COVID-19 has placed on MAST because additional funding needed for infrastructure regarding that: did it impact on revenue streams at all, where does MAST get its revenue streams from, and what was the impact of COVID-19?

Mr FERGUSON - Thanks, Mr Gaffney. Initiatives have been implemented by MAST to mitigate the impacts of COVID-19 on its stakeholders. There are a number of initiatives and they include the introduction of a conditional boat licence, providing applicants with six months to complete the practical component of the course while allowing them to operate a recreational boat under strict conditions, so, obviously, in the absence of being able to take the course and take the test.

Second, MAST waived the annual infrastructure administration fee applicable to domestic commercial vessels as a relief, as a holiday for those users. Also, MAST has been in receipt of some of the funding under the state Government's Public Building Maintenance Fund that I tabled earlier for your benefit for works to be undertaken on MAST-owned facilities, noting that most boat ramps and marine facilities are owned by the councils, but for those that are owned by MAST.

Also - this is very interesting - to your second part of your question, there has been strong activity in boat registrations, new boat registrations, and the sale and purchase of second-hand boats. Many boat dealers are reporting low stocks for new and used boats so from that -

CHAIR - It would be like caravans and motor homes.

Mr FERGUSON - That's my high-level response to your question.

Mr GAFFNEY - Just some things from last year. There are two artificial reefs. One, I think, was on the north-west coast, the other one was Storm Bay. The update says -

Preliminary research is underway, with more detailed work scheduled to commence in 2019-20 on Storm Bay in the south of the state, which is an artificial reef.

I was just wondering, do you have an update, or is that something you would take on notice? It just needs to be an update of the funding and how that is going.

Mr FERGUSON - I don't have a current brief on this at my fingertips, so I am more than happy to take it on notice. However, when I recently discussed this with Marine and Safety Tasmania, those projects are still progressing, and there have been some new developments that I will be happy to inform the committee of.

Mr GAFFNEY - The associated funding with those developments would be good.

Mr FERGUSON - To date, MAST has received \$300 000 through a grant deed administered by DPIPWE for the installation of four fishing aggregation devices. An additional \$150 000 is scheduled to be received in 2021-22.

Consultation for the most viable locations for the construction of these aggregation devices, which is another name for what you said, has been undertaken with key stakeholders. These key stakeholders include DPIPWE, IMAS, TSIC - the Tasmanian Seafood Industry Council - fishing clubs and TARFish.

Environmental assessments and development approvals are currently underway on five sites, including St Helens, which you mentioned; Freycinet Peninsula; Great Oyster Bay; and Tasman Peninsula.

Mr GAFFNEY - My last question, before other members. Last year, they asked a question about the MAST audit of TasPorts, and that is undertaken annually, we were informed. There were four areas of noncompliance in the last year. I wonder has TasPorts had any areas of noncompliance this last year, and if it has, what were they in?

Mr FERGUSON - I might ask if I can take that on notice, but I'm not aware of any at all.

Mr GAFFNEY - Thank you. That is all from me, Chair.

Mr FERGUSON - Would you pop that in through to the secretary, and I will make sure I give you -

Mr GAFFNEY - Yes, Jenny has that one.

Ms WEBB - These ones are a bit specific too, so it may be that you are not able to give the detail right now, minister, but you can take them on notice if necessary.

It is in relation to the Marine Infrastructure Maintenance line item for MAST. I believe MAST has responsibility for the Triabunna Wharf and its facilities. As we know, there is a Maria Island ferry operator who utilises those facilities. I am interested to understand whether it is incorporated in terms of the maintenance arrangements. What is the state's responsibility relating to the Triabunna Wharf, and are there any shared responsibilities there with the local council to provide that safe and workable environment for the ferry?

I am specifically interested in who is responsible for ensuring that the Mercury Passage/Triabunna Wharf area mooring is appropriately dredged and maintained, so that for the ferry there is a safe and workable depth of water - and if there was ever an arrangement between the Government and the local council that the council should take responsibility for dredging that channel and maintaining it, and, if so, the details of that arrangement?

Mr FERGUSON - I don't know if there is an arrangement in place. If I can come back later with further clarity, I will happily do so. That would traditionally, and in other places around Tasmania, be a responsibility of the local government, the council.

Ms WEBB - Given that MAST is responsible for the Triabunna Wharf, and the ferry uses the wharf, does MAST also then monitor the safety of the passage in terms of that dredging for the ferry service that is utilising the wharf? If the ferry had issues around depth, would that be reported to MAST, for example? If so, has it been reported to MAST that there is a depth issue for the ferry?

Mr FERGUSON - It hasn't been reported to myself, personally, but I do know that funding has been provided to MAST. It was a question Mr Gaffney asked earlier, and funding has been provided to MAST. One of the projects is, in fact, the Triabunna jetty, but it didn't involve any question as to the channel or dredging needs and was for pile repairs. That indicates to me it's not something currently before MAST, but I don't like to guess answers. I understand navigability of channels and waterways are the expected responsibility of the local council, but if there is anything further to add I will certainly come back to the committee.

Mr VALENTINE - You may not be able to answer because you don't have a brief here, but the number of occasions when they are looking after some of the program areas there have been occasions where people have had wheelnuts taken off their wheels and trailers ditched and all of those sorts of things. Do you have any numbers on what's happened in that area since our last evidence? Has it been brought under control?

Mr FERGUSON - It is an interesting question, so if I may answer it this way and if I can add to the answer later, I certainly will return to the committee. Not that long ago when I was the police minister, I raised this with Tasmania Police and asked them to be in touch with MAST as to any evidence of tampering of trailers or trailer couplings with their vehicles or removal of nuts from wheels, because we're all aware of some of the social media activity to encourage people to check these things when they come back in off the water and to check their vehicles before driving off.

The best we were able to obtain when we looked at - I notice it has gone a bit quieter, it appeared to be very anecdotal and didn't seem to be a systematic problem in the state. I'm not accusing anybody of anything, but there was a view expressed it was potentially the case of poor maintenance in some cases, not vandalism.

CHAIR - Not sabotage.

Mr FERGUSON - Yes, not sabotage. That's not to say there's not some petty crime, and if it is occurring, it's highly dangerous. Hence MAST is placing the messages out on social media to encourage boat owners to check their vehicles and particularly their couplings, their link chains and their locks on their couplers together with the nuts on the wheels to make sure when they've come in that they're all still correctly intact. There's been a lot less activity on that subject in recent times, but we are approaching summer now and it's a timely question you pose. I'll certainly come back to the committee if MAST wants me to say anything further.

Mr VALENTINE - I was interested to know whether they'd installed any cameras or anything like that but no doubt, maybe not.

Mr FERGUSON - As police minister I was of a mind that if it was a systemic issue in some parts of the state to have a look at the offence provisions, but the advice was that wasn't the situation.

Mr VALENTINE - I am glad it's calming down because I don't think everyone wants to be viewed by cameras everywhere.

CHAIR - It is very costly to put them all in remote little boat ramps all around the state. One of MAST's responsibilities is dealing with marine debris. It has its app that now enables -

Ms WEBB - It's not MAST's app - it's the industry's app.

CHAIR - Yes, the industry app, but they've also the responsibility for dealing with it and policing it.

We have talked about this at other committees, but do you have the data and any serious interactions with marine debris in the last 12 months?

Mr FERGUSON - This is something the Government has actually tightened up in recent years. We have been sending a message about zero tolerance. We have been too tolerant in the past and the zero tolerance approach to debris is part of our policy platform, particularly around the finfish industry. The marine farming industry is regulated by the Department of Primary Industries, Parks, Water and Environment. This is not my department, but by DPIPWE under the Living Marine Resources Management Act; however, under the Living Marine Resources Management Act, MAST has been authorised. In fact, two of MAST's officers are authorised officers. This then allows MAST officers to monitor and respond to breaches, to be onsite and to deal with them if need be in accordance though with DPIPWE procedures where marine farm equipment is found outside marine farm lease areas.

CHAIR - I wasn't talking about marine farms; I'm talking about marine debris, which is not just marine farms.

Mr FERGUSON - Sure. Debris found on the land is dealt with by DPIPWE and MAST officers have the power to issue infringement notices. According to the DPIPWE process, the authorisation allows these MAST offices to monitor and respond to breaches where it is

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identifiable though, marine farm equipment is found outside marine farm lease areas and floating in the water. MAST officers do not have the authority to enter the lease area.

I have some statistics. Since August 2018, I am advised MAST authorised officers have issued 10 infringement notices under section 94 of the Marine Farming Planning Act 1995. In terms of non-aquaculture related debris, MAST is available to be made aware of that, as the statutory authority. We ask people to make alerts to MAST and let them know, particularly if they see something that is going to present a hazard to other waterway users. MAST is then in a position to either act itself to find the responsible person if that is possible or to arrange for it to be cleaned up.

Ms WEBB - Back to the Chair's question.

CHAIR - Have there been any serious interactions with marine debris, like the fouling of a motor or a collision that doesn't simply bump a vessel, but actually tips someone up?

Mr FERGUSON - My brief, which talks about this issue quite extensively, does not identify any instances of marine debris being caught up in other boats.

CHAIR - Minister, you said when it is on land, once it is washed up, it then becomes an issue for DPIPWE?

Mr FERGUSON - For DPIPWE, correct. MAST is the on-water side.

CHAIR - A lot of it does wash up. Walking on King Island beach a while back we brought bagsful of rubbish back.

Mr FERGUSON - Naturally, I am sure you will agree MAST is there. If it has floated to the shore and it has landed on shore, it is not then presently becoming a hazard.

CHAIR - Until the tide comes in and takes it back out again, or a good offshore wind - which we get on King Island. You can get an onshore one as well, depending on which side of the island you are on.

Mr FERGUSON - I have found that in practice these agencies work extremely well together and they deal with situations when there is a problem. Sometimes it is not actually MAST's responsibility to deal with the scenario; however it do so because it is best practice and people want to see a result.

CHAIR - Thanks, minister. There were a few questions on notice regarding that output. In future if you notice an error in your timing, you might need to let us know with regard to MAST. I did notice they were there, and I thought they were early.

Mr FERGUSON - It might have been a misunderstanding but hopefully we have addressed your questions. I know I will get a letter from your secretary and we will do our best to respond as promptly as we can.

The Committee adjourned at 5.58 p.m.