

# UNCORRECTED PROOF ISSUE

**Thursday 11 June 2015 - Estimates Committee B (Hodgman)**

## LEGISLATIVE COUNCIL

### ESTIMATES COMMITTEE B

**Thursday 11 June 2015**

#### MEMBERS

Mrs Armitage  
Mr Dean  
Mr Finch  
Ms Rattray (Chair)  
Mrs Taylor  
Mr Valentine

#### IN ATTENDANCE

**Hon. Will Hodgman MP**, Premier, Minister for Tourism, Hospitality and Events, Minister for Sport and Recreation, Minister for Aboriginal Affairs

#### Department of Premier and Cabinet

**Greg Johannes**, Secretary  
**Rebekah Burton**, Deputy Secretary  
**Tim Bullard**, Deputy Secretary  
**Scott Marston**, Deputy Secretary  
**Frank Ogle**, Director, State Sector Management Office  
**Philip Foulston**, Director, Executive Division  
**David Strong**, Manager, Finance  
**Wendy Spencer**, A/g Director, Policy

**Kathy Baker**, Director Service Tasmania Unit  
**Simon Roberts**, A/g Director, Office of Security and Emergency Management  
**Kate Kent**, Director, Community Sport & Recreation Tasmania  
**Craig Martin**, Executive Director, Sport & Recreation Tasmania  
**Laurette (Shep) Thorp**, Manager, Office of Aboriginal Affairs  
**Tony Prenter**, Manager Properties and Procurement  
**Mandy Denby**, Manager Communications and Protocol  
**Tracey Mulcahy**, Manager Human Resources.

**Tourism Tasmania****John Fitzgerald**, CEO**Mark Jones**, Director Operations and Planning, Tourism Tasmania**Guy Taylor**, Director of Marketing, Tourism Tasmania**Adam Sproule**, Director Events Tasmania**Department of State Growth****Jacqui Allen**, Deputy Secretary, Culture, Recreation and Sport**Charles Bracewell**, Acting Director, Events Tasmania**Glen Dean**, Manager Finance, Department of State Growth**House of Assembly****Shane Donnelly**, Clerk**Adrian Munnings**, Manager Finance, House of Assembly**Legislature-General****Jason Hendy**, Manager, Finance**Ministerial Office****Brad Stansfield**, Chief of Staff**Jonno Duniam**, Deputy Chief of Staff**The committee met at 9.06 a.m.****DIVISION 7**

(Department of Premier and Cabinet)

**Output group 6****Community, sport and recreation****6.4 Sport and recreation -**

**CHAIR** (Mrs Taylor) - Premier, you are here, first, as Minister for Sport and Recreation. We will ask you to introduce the people at your side of the table and then ask you to make an opening statement on Sport and Recreation, or an overview of the whole morning, if you want to. You might want to save your overview as Premier for this afternoon.

**Mr HODGMAN** - I would be happy to proceed on that basis and start with Sport and Recreation after introducing Mr Greg Johannes, Secretary of the Department of Premier and Cabinet; Mr Scott Marston, Deputy Secretary; Mr Tim Bullard, Deputy Secretary of Policy; and Mr David Strong, Manager of Finance and Corporate Affairs.

I will give a brief introduction in relation to Sport and Recreation to give you an understanding of the Government's objectives and the structures we have in place within the

department to achieve those objectives. Sport and Recreation in community engagement is very important. It is well-enjoyed by many Tasmanians and something we would like to see more frequently through greater participation and support for sport and recreation and community events by the Government. Government is supporting local government and community organisations in that endeavour. It is a portfolio I hold because I have a great personal interest in those activities and am keen to demonstrate leadership at a high level. It is a high priority for Government to engage in that area, not just to build healthier Tasmanians and healthier communities but also to engage more people actively in their communities, especially in remote and regional parts of Tasmania.

We have set the objective for our state to be the healthiest one by 2025. That is certainly an ambitious target. There might be many targets and it is important for governments to set targets and seek to achieve them. I doubt there would be many who would argue with wanting that outcome to be achieved at the earliest opportunity.

**Mr DEAN** - I am working hard on it, Premier.

**CHAIR** - For yourself?

**Mr DEAN** - Yes. No, very hard for the country, this state, the world.

**Mr HODGMAN** - It needs us to work very closely with key stakeholders to develop well-planned, evidence-based infrastructure to support sporting and recreational activity. It also requires us to work closely with sporting organisations and clubs to assist them in building their capacity in their administrative affairs and responsibilities, and also to allow them to plan and demonstrate leadership, providing safe, inclusive and fair sporting environments.

We are also determined to increase the level of participation and make sporting and recreational activity more inclusive across communities. Participation brings health benefits to the state and the opportunity for people to be more engaged in their communities.

This is particularly important in the work done by Communities Sport Recreations, as it is now known, through Aboriginal sport and recreational programs. As the minister for that cohort of Tasmanians, it is important to see progress in that regard. We are determined to focus on that objective.

With the merger of the Community Development Division of Premier and Cabinet and Sport and Recreation Tasmania, there will be many more opportunities to explore how sport and recreation can enhance the lives of all Tasmanians.

This output also comprises the Tasmanian Institute of Sport, which supports a range of elite athletes, including Olympians and world champions. TIS supports 67 full scholarship holders, 15 emerging talent scholarship holders and 63 talent squad athletes. TIS has key performance indicators, including the number of athletes who achieve top eight or finals performances at benchmark international sporting events.

In 2014-15, 17 TIS athletes have achieved finals or top-eight results or better at benchmark international sporting events. Four of the 17 athletes had multiple performances of top eight or better, with the overall total of finals and/or top-eight performances reaching 25. That is great to see success on that front.

Cycling, of course, is perhaps the most successful of these sports, with world championship performances by Amy Cure, Macey Stewart, Lauren Perry and Campbell Flakemore. It is a fantastic result for Tasmania. TIS is doing a great job with the support and resources it has, to provide young Tasmanians, and slightly older ones, with the opportunity to participate at the highest level.

Before we move to questions, the budget papers note a decrease in the Budget for this output over the Forward Estimates. There are a number of factors for that, which I want to cover broadly.

The conclusion of time-limited funding commitments, including \$15 million for Blundstone Arena and the completion of a number of election commitments. Another reason is the consolidation of a number of community sport grant programs and sport and recreation grants programs into output 6.1.

There were six voluntary redundancies, equivalent to three FTEs, and the transfer of 21.3 FTEs from this output to output 6.1, Community Sport and Recreation. This reflects the merger of the Community Development Division and Sport and Recreation Tasmania. This output now funds only staff of the Tasmanian Institute of Sport and the Silverdome.

That is some background on why those figures have changed.

**CHAIR** - Thank you, Premier.

**Mr FINCH** - Bang goes my first question. It was quite baffling to see in the budget papers the figures of \$28 million and \$515 000 diminishing over the years, and go by.

You talked about Blundstone Arena, where \$15 million has gone. We might have a look at those figures and that diminution. How can we go, in the Forward Estimates, from nearly 9 to just over 5.5, then nearly 4. It seems that you are talking about this push for sport and recreation and the TIS, yet it does not seem to be supported by the figures here.

**Mr HODGMAN** - If it is okay with you, we might work through each matter I identified. We will provide you with a little more information in context and also what impact, if at all, it will have on us achieving the objectives I outlined.

First, the significant capital investment in Blundstone Arena was not only welcomed by those at Bellerive Oval, but was also important in allowing us to host Cricket World Cup matches. These were a great success, albeit in very difficult weather conditions.

That stadium now hosts Australian Football League games as well. Hopefully more sports and entertainment activities will be held there in the future potentially because of that investment. That is a significant capital investment, one which was committed to by the former government, which I acknowledge, but one for which we wrote the cheque.

[9.15 a.m.]

There were a number of election commitments, the vast bulk of which have been completed or are near completion at many sporting grounds and facilities across the state. We have supported many organisations.

As an incoming government we were subject to some criticism for having so many election commitments. But when I see the benefit of those investments - a number of which are relatively modest and only go part way to delivering what the clubs are seeking - they are a very important infrastructure. They are increasing activity, and the safety and comfort of those who participate in sporting activities, and spectators.

Those projects have also delivered benefits to local economies as infrastructure projects have come to fruition. They are almost all complete and we are working through them. That has a significant impact, needless to say, on the Budget.

The consolidation of a number of community grants programs and sport and recreation grants programs, moving into output 6.1. Perhaps you can assist me with that -

**Mr JOHANNES** - David Strong, manager of finance, can certainly speak about that, but broadly there was an opportunity in bringing together the Community Development Division, which ran grants programs, and Sport and Recreation Tasmania, which ran grants programs. When we brought them together we tried to consolidate and create one centre within the new broader division, in one output - in this case 6.1 - that would be the authority and the most efficient way to run all our grants programs. As a result we saw a significant amount of money transfer across from Sport and Recreation into this other output, but there was no reduction in the amount of funding being invested. It was simply an internal move so it shows up against another budget. That is right, isn't, Mr Strong?

**Mr STRONG** - That is right.

**Mr FINCH** - Is there a synergy between community development and sport? Is there some sort of percentage that will go to the sport side of things and the other to community development, or will there be an overlap in projects and grants? Will the focus change in either of those?

**Mr JOHANNES** - Hopefully they will both be better as a result. We have not created a single grants program that funds everything. We still have discrete grants programs that focus on sport and recreation and others that focus on, say, supporting peak organisations within the community sector. In many cases they are doing complementary things. For example, we have a number of programs that focus on interacting and supporting people with disability and we also have some programs on the sport and recreation side that focus on sport for people with disability. By bringing the two together, hopefully they do not compete with each other, they are an overlap. They complement, so you get more effective spending as a result of bringing the grants programs together, but we have not in any way reduced one to increase the other. There is still discrete funding for sport and recreation.

**Mr FINCH** - Has that combination of the two - has that department occurred? It is in place?

**Mr HODGMAN** - Yes.

**Mr FINCH** - Has work been done in that area? Have grants been applied for and been successful?

**Mr HODGMAN** - Yes. There has been no disruption that I am aware of to the normal course of business. There have been some changes in personnel - as I said, there has been a

reduction of three FTEs as a result. There has also been a significant decrease in overheads due to the restructure, which is an advantage of streamlining, or perhaps better consolidating, the efforts of what are well combined government agencies and objectives, being sport and recreation and community participation. I have had no indication, advice or sense that there has been any change to the appropriate disbursement of public funds through the grants programs that previously existed.

**Mr JOHANNES** - To reinforce what the Premier is saying, there has been no change to sport and recreation grants programs and we would argue that there has been an improvement in the way they are delivered - in the way we support the community - as a result of not having pockets of people in different places providing grants. We bring them all together and make sure we get maximum bang for the buck and deliver the best community and sport outcomes.

**Mr HODGMAN** - From my limited experience, inheriting the former arrangements and needing to transition to this new system, I noticed a more fractured arrangement between those two streams. But that has now been consolidated and is working well.

**Mr FINCH** - I can understand the savings, with 3 FTEs now not being there, but what about the overall amount of money? Is Sport and Rec, or the Community Development side of things, disadvantaged in the amount of money that might be available. What is the quantum of that money available for those grants?

**Mr JOHANNES** - David may have the quantum available of grants, or we might take it on notice. We can generate that very quickly for you but there has been no reduction in the overall quantum of grant funding available. There have been no cuts to grants in this Budget.

**Mr FINCH** - Thank you.

**CHAIR** - And no increase?

**Mr JOHANNES** - On the Community Development side there has been an increase but there has been no increase that I am aware of on the Sport and Recreation side.

**CHAIR** - That is the Forward Estimates because things change, costs increase as time goes on, so if you have the same amount you are not getting the same amount.

**Mr HODGMAN** - No, and there have been increases to various grants. I am not sure if I have that to hand now, but we can find that information. There have been additional ones, for example, through our activities with the centenary of Anzac Day, which is a one-off but has been an important contribution to those activities.

**Mr JOHANNES** - In the Sport and Recreation area, Chair, there is no planned decrease to grant funding across the forward Estimates.

**Mr FINCH** - Do you want to put some of that on *Hansard*, Premier?

**Mr HODGMAN** - I can and I am happy to work through some of the key grant programs to give you a sense where we are providing public funding support. I can do so fairly briefly.

**Mr FINCH** - That could be tabled, Chair.

**CHAIR** - That would be good.

**Ms RATTRAY** - Is it the same as the table 8.1 in the Budget papers?

**Mr DEAN** - There could be questions emanating from it if the Premier reads it.

**CHAIR** - Yes. It might be good if you read it, Premier.

**Mr HODGMAN** - It gives you an appreciation, which I am sure you are all familiar with, of where these grants programs are directed.

First, National Youth Week: there is a grants program that supports grants of up to \$5 000 to support young people and recognise the achievements and contributions young Tasmanians make to the community. There are grants to our Men's Shed of up to \$5 000, to support the sustainable development of Men's Sheds in Tasmania, including additional commitments that were made from the election. Grants of up to \$30 000 for lesbian, gay, bi-sexual, transgender and intersex programs, and increase acceptance, diversity, reduced discrimination and proved resilience, and capacity of the LGBTI community. Veterans Affairs I have mentioned; centenary of Anzac grants programs of up to \$5 000, for projects and activities commemorating the centenary of World War 1 and whilst the anniversary is past, the celebrations and commemorations around the Centenary of Anzac continue for a number of years.

**CHAIR** - It is not just Anzac.

**Mr HODGMAN** - Through to the conclusion of World War 1, so if I suggested that we might have expended everything that we might in that area, I suggest perhaps not.

**Mr FINCH** - It is Fromelles next year, is it not?

**CHAIR** - The whole Western Front really.

**Mr HODGMAN** - Teddy Sheehan grants program - grants of up to \$8 000 for minor capital works and repairs and maintenance of RSL Clubs. That is happening around the state.

For Sport and Rec there are state grants of up to \$60 000 for sporting organisations, state active recreation providers, and state sector service providers. There are major grants between \$15 000 and \$80 000 for clubs and associations, local government and other not-for-profit providers and also minor grants between \$500 to \$10 000 to clubs and associations, local government and other not-for-profit providers of sport and recreation and there are also national and international sport championship programs grants of up to \$3 000 for national or international sports championships being held in Tasmania.

There are also grants provided to various organisations through other funding streams including the Premier's discretionary fund which we are trying to clarify and also provide some certainty for organisations who might seek funding through various government sources. They are the ways that local organisations, in particular, and events are supported through other funding streams.

**CHAIR** - Mr Finch's question was originally to do with downsizing of this amount and we hear you say that this year it is down to 8 because so many major projects have finished. Then it goes down considerably the next two years. In the forward Estimates in 2018-19 it goes down again. If your base level is around that 5 - 5.5, why does it go down? They are not election promises still and they are not works in progress.

**Mr HODGMAN** - We have only touched on two of the factors that are identified. There are others that are material by way of the restructure, employment-related expenses and operational expenses as well. There is the divisional restructure. I will let David run through that.

**Mr STRONG** - The downturn between 2017 and 2018-19, which I think you were referring to, is also related to the four-year funding agreements which expire in 2017-18. For example, Football Federation, which is \$200 000 and these bodies are not funded beyond that. There is an expectation that these bodies will come back and seek additional funding.

**CHAIR** - You would not expect that because they are four-year funding agreements that finish in 2018; you would be expecting surely that something else will take their place?

**Mr MARSTON** - Those negotiations -

**CHAIR** - Yes. You are not going to have less. One would think that you would leave that amount much of a muchness rather than in the forward Estimates it is going to go down by nearly \$2 million.

**Mr JOHANNES** - Typically Chair, this is what we do. The Government makes a commitment to funding and that commitment always exists for the length of the forward Estimates so it always shows a bit of a cliff. Again, typically, if it is considered to be an important organisation making an important contribution, then before you reach that cliff, you renew the funding arrangement. It is not unusual for forward Estimates to show that fall-off in the out years because governments typically only commit for the forward Estimates.

**Mr FINCH** - It does concern me though, Premier, you are talking participation and inclusion, people being healthy and engaged, yet we are not maintaining that monetary input into the budget to reflect what you are saying.

**Mr HODGMAN** - I would dispute that. A lot of the savings that have been made are due to those major capital investments being concluded. A number also relate to the restructure and that provides greater benefits for the Budget generally. As we make those restructures and align our business more efficiently and more effectively, that money can be invested into these areas for the future. The notion of a number of major agreements not being contained within the forward Estimates is, as the Secretary said, not unusual. It is something that we had to manage as an incoming government to fill some holes that were left to us. It is normal practice for those matters that are not yet agreed to or have not been contracted or the subject to formal arrangements not being included in that.

I stress and my advice is that, broadly and at a net level, our investment in sport and recreation is certainly not decreasing and a number of the figures suggest that we are paying dividends and we are seeing increased performances. Whilst it is never going to be enough and while we would like to do a lot better, we are confident that money can better be directed to those efforts than be spent sloshing around in government departments. That is why this restructure,



which has taken some time and has required changes in leadership and perhaps the thinking of the agency, has been worthwhile on a couple of fronts.

**Mr FINCH** - On the back of that, could I ask you to provide the committee with the applications that have come into the Department of Sport and Recreation and to Community Development so we can get some idea of what is not being funded? What is the interest in applying for support from the community, from sporting organisations and from sportspeople that are not being funded? That might reflect that you are not covering what could be progressed in the community, in a sport and recreation and a community sense.

**Mr JOHANNES** - We could easily provide on notice information about the number of applications we receive and the amount of funding they seek, in comparison with the number we fund and how much we provide. I have to check but there would be real limitations on our ability to provide you with the applications. In most cases, organisations would think they were applying in confidence.

**Mr FINCH** - I do not need to know who applied.

**CHAIR** - A summary would be good.

**Mr FINCH** - Some idea of the numbers who were not successful, so we have a sense of whether that budget allocation is sufficient to cover the needs of the community.

**Mr HODGMAN** - Yes, sure, we can do that. We have announced and are delivering all our election commitments. One commitment we made prior to the election, as part of our campaign, was to cease funding to a wilderness program. We can talk about that. That was announced and has been effected. Our election commitments tabled around \$10 million to \$10.5 million of new investment into sport and recreation, communities and infrastructure. A significant investment was delivered through that election commitment.

States grants program - \$1.15 million to sport and active recreation organisations for participation, coach, official and administration outcomes. This has benefited more than 108 000 registered members over time.

Sports carnivals, and the Football Federation we have spoken about. We have commitments to AFL football and Netball Tasmania. Additional funding has gone into netball. I know that because I have been working very closely with them and have delivered those additional funds. Surf Life Saving - additional funding for them. Not just for their activities but to increase water safety. Paraquad, Cricket Tasmania. A number of areas in which we have enhanced funding.

While the financial statements might appear concerning - and I understand that - there are good reasons for that and some of those include the reporting of those finances. But in terms of sheer investment, and largely off the back of commitments we made during the election campaign that are now being delivered and starting to take effect, it is an important investment.

**Mr FINCH** - Those things you mentioned, Premier, are so important for the spirit of community - for community development and for sport. It is a lot of what we are about as Tasmanians. This portfolio is very important to Tasmanians.

Chair, I would like to move onto the Tasmanian Institute of Sport (TIS) and its operations.

**CHAIR** - There are some other questions. Minister - I am calling you minister for this portfolio. I hope that is all right. I am not forgetting you are the Premier - you will be the Premier this afternoon.

*Laughter.*

**CHAIR** - I hear what you say about election commitments and major projects. It seems you are telling us the forward Estimates are only good for this coming year. After that there will be an election coming up and everyone - the Government and the Opposition - will be making election promises that will have to be carried out in future years. The figures for 2017-18 and 2018-19 are questionable. They are quite inaccurate, I suppose. This year and last year you have been making good on your election promises, and doing a lot of spending.

**Mr HODGMAN** - Mr Marston is keen to talk a little further about this. Electoral cycles and Budget cycles are subject to change. As our Budget improves as is now happening, there will be more to invest in a whole range of ways and programmes but clearly

**CHAIR** - This is a particularly sensitive area though, is it not? When elections come up, everybody is going to be wanting to get to local communities to say, 'look what we will do for you if we get elected'.

**Mr HODGMAN** - It is not only electoral cycles, it is the cycle of agreements and arrangements we have in place with external organisations such as the Football Federation. We are already, as you would be aware, in negotiations about the future of AFL football and what that may look like. There is a massive set of issues to confront on that level, with the significant Budget implications as well.

We have to make provision, if not in the budget papers themselves, in our minds as to how we can best accommodate all those things. Again, I will make the point, \$10.5 million additional expenditure into Sport and Recreation facilities out of the election and that is a positive thing.

**CHAIR** - Absolutely. My concern generally across the whole of the Budget, is that if you are saying here, 'currently this is what we would expect to spend'. We know that is going to change. There is not a lot of money in the Budget that is unallocated.

If you are going to spend more in those forward Estimates here, then you are either relying on the whole of your revenue increasing so you have extra money in those forward Estimates which may be, as the financial position of the state improves as you have been talking about and the Treasurer has been talking about, may be that is the case. Otherwise, the money is going to have to come from somewhere. You are going to have to reallocate. That is my concern always with forward Estimates.

If you say, we are expecting only to spend \$3.8 million in 2018-19, we know that is not true. You would not possibly do that because of new funding arrangements, election commitments, and all that sort of stuff. I wonder if you say that is what you are predicting now, where is the rest of the money coming from? Do you have this

**Ms RATTRAY** - War chest

**CHAIR** - Thank you, war chest. Thank you member for Apsley, you may be quite right.

**Mr HODGMAN** - Some may describe it. The Treasurer could run you through this at great length about unallocated funds. Not just our Budget but in every government's budget. Mr Marston is keen to contribute briefly.

**CHAIR** - Is that what you are saying? That there would be a lot of unallocated that is not allocated yet?

**Mr MARSTON** - In the figures, to round off your questioning Mr Finch, Sport and Recreation has had - the smallest reduction being the Wilderness program the Premier talked about, plus one FT and other than that there has been no reduction in funding whatsoever. The other movements are those we have run through with one-off funding and some swapping between Outputs and so on. There have not been any cuts in that area. I would like to make that point.

Our papers only reflect contracted and formerly announced commitments from the Government. What you will find when we are sitting here again next year, and I will not talk on behalf of the Premier, is there will be negotiations by the Premier and others, with these people. The negotiations that did occur and have been formalised will be reflected in here and that money that is currently unallocated will be allocated within the Output itself.

**CHAIR** - I understand that. You are calling these estimates. You probably should call them commitments. Forward commitments I understand. Forward Estimates is not quite true because you know that is not going happen. It is a matter of principle.

**Mr DEAN** - I have a general question about Blundstone. Minister, I have a letter here from a constituent and it starts off, 'just writing about football in Tasmania'. I will miss a bit out, but she then talks about Blundstone and the accessing of the oval. The state is putting a lot of money into Blundstone and there is no difficulties with that. What she is asking is if the state government is working with the local council in relation to parking, accessing the oval

**Mr HODGMAN** - Yes. It is an issue and I will make the point again. It was a commitment made by the former governments, Labor government in Tasmania and nationally, to invest around \$30 million - \$15 million each - to build the new stand and corporate facilities and accommodation facilities for the participants, the players. These facilities are exceptional and have been very well received.

It is a great investment. We supported it, and, as I said, it has fallen to us to write the cheque. We do not have any plans any time soon to make a further investment into Bellerive, into Blundstone Arena. That is not saying it will not arise in the future, but that is a significant investment for the time being.

The ground facilities have significant traffic issues when major events played there. Government works closely with the Clarence City Council on this matter and with Metro Tasmania to provide additional services to get people in and out via bus. There are also opportunities to access the ground via the River Derwent. I do not know whether we have any direct involvement in that. Certainly Metro Tasmania plays an important role.

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It is an ongoing issue. We work closely with the Clarence City Council, which is going through its own process of not only determining its capital program for sporting infrastructure, but also for projects for different sporting precincts and facilities around the Clarence municipality. Some of those discussion also allow for consideration of how there might be better access to and parking facilities for people going to Blundstone Arena. Needless to say, it is very constrained, given -

**CHAIR** - Built-up area. It was from the beginning.

**Mr HODGMAN** - It does cause disruption and concern to local residents.

**Mr DEAN** - My next question relates to community football.

**Mrs ARMITAGE** - Can I go back to Blundstone for two seconds? So, it holds 20 000 people?

**Mr HODGMAN** - I think broadly, yes. It may not be that much, maybe 18 000 to 19 500.

**Mrs ARMITAGE** - If we are looking at 20 000 people, going back to the parking and the access and Metro. I do not know how many buses you would need to get 20 000 people out of there. Do you seriously believe you could ever address the issue of egress and access to Blundstone Arena, given the built-up area, without purchasing homes and knocking them down and building a huge car-park?

**Mr HODGMAN** - Very difficult. The additional bus services have been effective, but there is no denying it can be very difficult. It places demands on the local infrastructure and every foreseeable available space seems to be taken up by official -

**Mrs ARMITAGE** - Was there ever any consultation with the community? I appreciate it was the previous government, but as a party, your Government supported it. Was the community consulted before Blundstone was given an extra \$15 million? Before it was pushed to make it the standard it is now? To put that sort of money into it, knowing the problems it had?

**Mr HODGMAN** - I would need to get more precise figures. The investment in that new stand and other amenities has not drastically lifted the capacity of the ground. It has always been around 16 000 to 19 500 additional spots. Much more comfortable. A large part of that stand has been dedicated to enhance corporate facilities. The training facilities now available below the stand for cricketers and football players are exceptional. There are better facilities for media, which previously had to house itself, particularly for the football, in the northern and southern ends, which was not ideal for media coverage. The media can now sit on the wing. More accommodation for other sporting organisations has become available - AFL Tasmania, either there or on their way there.

**Mrs ARMITAGE** - They are there.

**Mr HODGMAN** - There is more -

**Mrs ARMITAGE** - I guess the ground was really more built for TV coverage, than for people being able to get in and out?

**Mr HODGMAN** - That is one advantage. The corporate facilities available there now are a good income generator, not only for Cricket Tasmania, but for any others who are able to utilise it. It is wonderful facility; it is much larger and provides more comfortable accommodation for people, including for things that are not always sport related.

**Mrs ARMITAGE** - Unfortunate for those who live nearby.

**Mr JOHANNES** - Premier, I may add a couple of things. A major development like that would have been through the statutory planning process, so the council will have had, by right, to consult with the local community about any plan changes to the facility?

**Mrs ARMITAGE** - It does not always happen.

**CHAIR** - It did happen in this case, but the community was not necessarily listened to.

**Mr JOHANNES** - In response to Mr Dean's question, I make the broader point that a really strong focus of the people in Sport and Recreation is actually working with local governments across the state to build their capacity to plan facilities and plan the provision of sporting infrastructure to suit the community's needs. A very strong emphasis in Sport and Recreation is working with local government to build local government's capacity to do this as well as possible.

**Mr HODGMAN** - I will remind you also of one other thing - that dire configuration on the Tasman Bridge, as well as other traffic management systems in place.

**Mr DEAN** - This lady is very complimentary. She's from George Town, loves to come to sport in Hobart but she is concerned about the distance she has to walk from the parking lots to the grounds. She is saying that deters a lot of people.

A lot of money has gone into Aurora and into Blundstone. How much money is going into community football around the state? That really is an area of concern right now. We have a number of local football clubs, but this year some, sadly, have dropped out. A lot of that is through player numbers, but also through financial support and backing as well. A sum of \$500 000 is made available annually from the state to AFL Tasmania. Are you happy that is buying the service that the state wants of that statewide contribution?

**Mr HODGMAN** - It is a significant and ongoing commitment to the peak body that administers AFL football here in Tasmania. We have allocated \$500 000 per year to AFL Tasmania until 2015-16 to maintain that support, and that is for community support in the state. There is a grant deed with specific criteria that AFL Tasmania is expected to meet. There are six-monthly reporting on the progress towards 32 agreed KPIs across eight focus areas. We have not long ago received and accepted AFL Tasmania's most recent progress report. That comes from January 2015. The latest instalment of \$150 000 was paid to AFL Tasmania.

**Ms RATTRAY** - Chair, can we have a copy of that progress report, please? I hope it is a bit more detailed than last year's.

**Mr HODGMAN** - I am happy to talk through it, but it might be simplest to table it.

**CHAIR** - We are asking for that \$500 000. You have now said 32 KPIs. How that money has been expended.

**Mr MARSTON** - The document I just had, Ms Rattray, was the actual KPIs themselves. We can table the progress report.

**Mr HODGMAN** - There are no problems providing you with what we can, to assure you that we are satisfied with progress. We have an ongoing conversation with the AFL. Our expectations are -

**CHAIR** - It would be good if we could have both of those. Members will know that the upper House has looked at this in the past, and one of the things we were a little critical of was that the KPIs were fairly loose. We know that the KPIs have been addressed, and we would like to check that. We are assured the KPIs have been tightened and addressed, and we would like to have that information.

**Mr HODGMAN** - I am comfortable taking advice from our officials on progress against those KPIs. They are important benchmarks, which we are seeking to improve along with improving accountability. As a relatively new government, these are new discussions we are having with key stakeholders, including AFL Tasmania and the AFL and their CEO Gillon McLachlan, which I am having regularly as well to make sure the AFL is targeting its efforts into regional community development. You are right, there has been significant investment in infrastructure, and they will continue. There will be ongoing needs for improvement at the Aurora and Blundstone arenas and other important infrastructure.

**CHAIR** - Mr Dean, how are you going with your general questions? You have gone into grants and subsidies. That is the \$500 000 I presume.

**Mr DEAN** - One further question, if I could. What is the auditing process in relation to that money, to ensure what is being said is in fact happening? The concern of community football is that there is too much emphasis is on the statewide league and not enough on rural and community football.

**Mr JOHANNES** - For *Hansard*, Craig Martin, Deputy Director of Community Sport and Recreation Tasmania.

**CHAIR** - Welcome, Craig.

**Mr MARTIN** - Thank you. As the Premier indicated before, there are a number of KPIs that AFL Tasmania has in its grant deed. It might be worthwhile, for the benefit of the committee, to go through those in a bit of detail. These will be named up in the progress report that we have given a commitment to table today.

**CHAIR** - I am not sure we need to get all 32 of them, Craig.

**Mr MARTIN** - I can go through the groups if you like. There are KPIs on: increased participation; coach education development providing coaching education level 1 and level 2 courses; umpire education and development, with level 1 and level 2 umpiring accreditation; governance and administrator initiatives; annual community sports club management workshops; the annual Tasmanian Football Leadership Conference; communication, marketing and promotion initiatives; improving promotion of all levels of the game; improving communications between all levels of the game; outcome 7 involves improving the quality of club environments, essentially

about the AFL Quality Club Program. We wanted, by the start of the 2015 season, all TSL clubs to have achieved silver level status.

There are eight KPIs to do with improving the quality of club environments. There are also inclusive participation programs and initiatives; supporting the growth of Tasmanian Women's AFL football; supporting the growth and awareness of Indigenous and multicultural participation; ensuring AFL Tasmania provides quality of leadership in the area of integrity in sport. We have done a lot of work with AFL Tasmania on things such as making sure statewide league clubs are aware of the AFL's Code of Conduct when it comes to betting on matches as betting occurs on the Tasmanian statewide league.

Each year, there are two progress reports that AFL Tasmania provides to Sport and Recreation. There is one in January and another one in July. They have to provide a detailed written report against those KPIs. Officers from Sport and Recreation also meet with AFL Tasmania to go through those written reports provided. Those meetings are often quite lengthy, as you would imagine, because there is quite a bit of material to get through.

**CHAIR** - Is that your auditing, in a sense?

**Mr MARTIN** - That is the process we go through with AFL Tasmania to establish that the KPIs have been met.

**Mr DEAN** - There is no coalface auditing? In other words, there is no auditing by the department out to these organisations to, say, community football areas, to see what they have been delivered, what they have been provided, the support and assistance they have been given? In school programs as well, is there any auditing? Surely, through the Education department that would be pretty simple.

**Mr MARTIN** - Yes, AFL Tasmania runs programs in about 140 schools.

**Ms RATTRAY** - All city based.

**Mr DEAN** - How do you audit that? How do ensure those services are being delivered?

**Mr MARTIN** - They are delivered through the statewide league clubs. The statewide league clubs would provide that information to AFL Tasmania, and it is then provided to us.

**Mr DEAN** - But how do you know it is being delivered, other than being told? Is there any auditing? Do you ever go to any of the schools and ask what has been provided to them by AFL Tasmania - what services have been delivered?

**Mr JOHANNES** - We would not typically independently audit 140 arrangements with a second party.

**Mr DEAN** - Just a few?

**Mr JOHANNES** - But if any organisation wrote to us and said, 'We are concerned that you are funding a body to provide certain outcomes and they are not delivering', we would absolutely investigate that at the coalface.

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**CHAIR** - That is why the upper House committee was set up a couple of years ago. Members were being contacted by people saying, 'We have not seen them', or 'We have only had one phone call'. Yes, that means you can tick the box to say there has been communication with the school or the community, but -

**Mr JOHANNES** - If that continues to happen, I would encourage members to contact us. As soon as we became aware of that situation we would look into it. We would go to the coalface and investigate.

**Mr DEAN** - Mr Johannes, you were aware of that. The previous government was aware of it three or four years ago.

**CHAIR** - Has it improved? We want to make sure the KPIs that have been introduced - that have been tightened up - are now delivering.

**Mr MARTIN** - I have a list here, provided to us by AFL Tasmania, of 140 schools where they are going to run programs in 2015. I have no reason to doubt that will occur, and I have no reason to think it did not occur in previous years.

**Mr FINCH** - Can we have that, so we can see which of our schools are involved?

**CHAIR** - You do know that has not always occurred, because our committee found that some schools on that list had not been contacted. That was in our report. This is not to say it is not occurring now. Hopefully it has all been fixed. That is all we are asking about. Has this problem been fixed?

**Mr JOHANNES** - Let me provide my assurance, as head of the department, that if any of those schools contacts one or more members and raises concerns, I want to know about it. We will immediately look into it. But nothing has been raised with us in this area in the 12 months that Sport and Recreation has been part of DPAC.

**Ms RATTRAY** - It was raised last year at Estimates. I mentioned a school I know very well, that had not had contact from AFL Tasmania. It is easy for city-based AFL teams to say they will go out to the rural areas, but they just do not do it. They just cannot get in the car and go.

**Mr HODGMAN** - There is a number listed here, so it will not be too hard to find out if that is occurring. Needless to say -

**Ms RATTRAY** - We will cross reference that list.

**Mr HODGMAN** - Our expectation is that not only are the KPIs being met, they have been enhanced as we have discussed. But we want to make sure we get maximum benefit out of our investment.

**CHAIR** - Thank you for that assurance. We will take that up if we hear of it.

**Ms RATTRAY** - The little tackers just love to see AFL football players coming to their area.

Minister, in regard to the \$750 000 allocation to secure the 2017 Australian Masters Games on the north-west coast. Is that in these figures here? Or is that a special one-off grant?



**Mr HODGMAN** - That comes out of the Department of State Growth. It is not part of Sport and Recreation or indeed DPAC.

**CHAIR** - Sounds like a sporting event.

**Mr HODGMAN** - It is certainly an event - a major event.

**CHAIR** - So is it coming out of Events?

**Mr HODGMAN** - Its funding is coming out of State Growth. I can talk to it a little further but it is not out of DPAC or Sport and Recreation.

**Ms RATTRAY** - I understood it was contingent on local government and federal government funds as well. Is that firm? Is that commitment being made?

**Mr HODGMAN** - Yes, it is a co-contribution. As far as the budgeting of it is concerned, it is a line item in the Department of State Growth's budget appropriation.

The background of this is, the Cradle Coast Authority and north-west councils have reached a contractual agreement for the Australian Masters Games to occur in Tasmania in 2017. It is a major event. It is one the largest regular multi-sport events in Australia. Attendees in recent years to these games have ranged from 7 000 to 10 000 people. There are 50 sports, it is a 10-day competition; needless to say, it has massive on-flow benefits, as you have suggested, for the whole state, especially in the north-west region where it is proposed to be held.

The original request came from Devonport. Mayor Steve Martin, as Chair of the north-west Masters Games steering committee, with requests for the state and federal governments to co-contribute to provide the \$2.145 million required to host the games.

**Ms RATTRAY** - The state's contribution is \$750 000?

**Mr HODGMAN** - Yes. Over three years it is funded in the Budget. Based on assessment that has been done and advice provided by Events Tasmania to the Government, any funding provided to this event should be consistent with support provided for other mass participation events and be contingent on part funding being secured from alternative sources and a lower overall fee being negotiated, which has happened.

As there was no funding available in the Events budget, we will talk about that a little later I am sure, the Government needed to find an alternative funding source to secure the games and that is what occurred. Events Tasmania will now be engaged, as they ordinarily would be -

**CHAIR** - Where did it come from then?

**Mr HODGMAN** - The idea?

**CHAIR** - No, the \$750 000.

**Mr HODGMAN** - From the Department of State Growth.

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**CHAIR** - We have this difficulty, minister. State Growth answers to seven different ministers and so it is becoming more difficult for us to find where line items are that relate to certain areas.

As you say, Events Tasmania will manage it. It is actually a sporting event. We are really pleased that there is working together across all of Government, and finding the money where you can. It does make it very difficult when we are doing Estimates and scrutinising the Budget. We looked for that \$750 000 and it is difficult to find. You might like to take that onboard somehow.

**Mr HODGMAN** - Certainly. These situations are relatively rare, at least at this level and with something so prominent. Given that Events Tasmania had no capacity within its budget, we needed to look to alternative sources. Events Tasmania will be critically involved in managing this event and it will be administered in the usual way. We can talk further to that when Events Tasmania comes before this committee today.

**CHAIR** - We are not suggesting that there is anything wrong. We are suggesting it is difficult for us to find the line items when they are spread out.

**Ms RATTRAY** - It is getting harder, Madam Chair, and I have been here 11 years now and I am finding it no easier to work through these papers than what it was 11 years ago when I had no idea of where I was going.

**Mr HODGMAN** - In this case as well, it literally required the three levels of government coming together and I cannot talk explicitly or specifically as to the time frames, but there was some delay in getting all three on the same page at the same time.

**CHAIR** - We are just trying to find a way to scrutinise it usefully.

**Ms RATTRAY** - Is it absolutely certain that all those participating funding streams are firm for that particular event?

**Mr HODGMAN** - Certainly ours is locked in. I would expect the other governments having the same commitment.

**Ms RATTRAY** - It does say that it was 'contingent on', and I wanted to make sure that all those contingencies were in place.

**Mr HODGMAN** - Yes. It was not that long ago that the Federal Government confirmed its commitment to it. We are talking only a matter of months. These discussions and negotiations have been ongoing probably prior to my Government, I suspect.

The Devonport mayor has been very keen to secure this opportunity. Devonport had it and then lost it, or was at risk of losing it to another regional city in Australia. I think that fell through so we were back in the game. From recollection, this goes back to the election, at least discussions about it. It gradually materialised and is funded.

**Mr FINCH** - It is a wonderful opportunity for Tasmania - the people it will bring and the money they will spend throughout the north of the state.

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**Ms RATTRAY** - Masters participation is fantastic. They are usually people with funds, as well as time to be able to participate. They take the time to stay longer, come early, and stay longer.

**Mr HODGMAN** - They bring families and hang around a lot longer, so it will be great.

**Mr VALENTINE** - I am not sure if this is the right spot to be asking this. It is obvious many organisations, and people wanting to run sporting events, have an issue with public liability. I notice in one of your grants, the trail bike riding diversion program, deals specifically with that issue for that particular event. What thought has been given to a way to overcome this seemingly insurmountable problem? Surely there must be some way, so that the Tasmanian community can make itself more vibrant. Can you tell me what is being done to investigate ways to overcome this?

**Mr HODGMAN** - It may need to be directed to the Treasurer for a more specific indication of what work analysis has been done at a higher level. Certainly, it is often raised with us. The example you cite was the commitment made, bearing in mind that issue, and making provision to assist that organisation to deal with it. In the past, governments have provided support to reduce the insurance burden on sporting and community organisations.

**CHAIR** - It is a huge issue for small organisations, year by year.

**Mr VALENTINE** - The Royal Hobart Regatta Association - I remember that being provided with a certain degree of funding but it is not sustainable. Given the number of events that require public liability, there must be a more affordable way of being able to bring all those events into a pool that says to Marsh, or whoever your insurer is, any public group applying for it can get a better deal.

**Mr HODGMAN** - Invariably any grant request that comes from an organisation cites insurance costs as one of the significant burdens they carry.

**Mr VALENTINE** - It is a show stopper, quite often.

**Mr HODGMAN** - Yes, literally. At a higher level, and I am not suggesting we are heading there or that any work has been done on this but I know as Tourism Minister it is often suggested Tasmania might follow a similar approach to New Zealand and change the landscape of public liability insurance which presents another set of issues. We are not progressing consideration of those actively. That is at the other end of the scale.

**Mr VALENTINE** - There would be federal legislation in there as well, wouldn't there?

**Mr HODGMAN** - There would be a whole range of matters we would need to work through. It may be something we can usefully discuss further with Events, a little later. It is often a factor in why it is necessary for Government to provide public funding to these events to make them happen, because of that insurance cost.

**CHAIR** - The big events can carry it but small events and small sporting organisations

**Ms RATTRAY** - We would be lost without our service clubs, Chair, because most of the time they underpin those requirements.

**CHAIR** - Many service clubs and Scouts solved that problem by amalgamating, saying we will do that nationally and each paid a share. I suppose that is the sort of scheme we are talking about. You have done it in the Government.

**Mr VALENTINE** - On a state basis.

**CHAIR** - Things like education, for instance, which self insures. Everybody pays part of that.

**Mr VALENTINE** - It is something I raise as an issue which is stifling a lot of activity. Small, local, community activities.

**Mr HODGMAN** - We will have a discussion with the Treasurer about it.

**CHAIR** - That would be good, thank you. Mr Finch, you wanted to talk about the TIS.

**Mr FINCH** - I wanted to talk about the TIS and its program, and probably also elite athletes, the younger ones, and support for younger people particularly. I know you have the Winning Edge funding model that only picks winners. That is a federal program. I am wondering about the athletes who qualify for that and the support that might come from the state government to developing athletes. I want to cite an instance where a young chap in an under-12 AFL team wanted to play on the mainland. I was gobsmacked that his registration only - nothing to do with his travel or his costs - is \$900. That is just to be registered to play. We have worked in the community to support that young chap; he is not from a well-off family. I could not quite believe that in this day and age, with the support that goes to AFL Tasmania, that the impost is so huge on this young footballer.

I also understand the argument that the elite and those who are successful must also pay that price; if they want to go on, that there needs to be that extra support from communities to help them through. Premier, are you aware of that? Are you thinking about that? In involving young people in sport at schools, there is an impost now from schools placed on the children to play team sports. You might clarify whether that is the case.

**Mr HODGMAN** - There are a few issues there; I will need to check that last one with the minister, unless anyone else here can -

**CHAIR** - You are the minister.

**Mr HODGMAN** - No, I mean for Education. School resource packages would be where that could come into play. I am not aware of which schools require what; it is a matter for them to determine that.

In relation to the issue of children participating in national competitions, I am well aware, including that particular case you cite. My son was in the initial squad selected to participate in that under-12 state team and did not make the chart, so it is an extreme disappointment to him and me and his family. I guess we do not have to bear what is a significant cost that many parents are now having to bear. I am sure all of us, as members, are often asked for constant support and we have an allowance which is designed to provide that support to families to allow their children to participate in events - not just in sport, but right across the state, so it is a significant burden on

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them. It is not quite within the TIS realm but I guess your point being that unless children are able to participate in those events, their prospects of reaching elite level competitions are reduced.

**Mrs ARMITAGE** - Sometimes it is many thousands. I have had one who had \$11 000 go internationally. It is a cost many cannot afford.

**Mr HODGMAN** - Mr Martin, is there anything you can add as to what we do broadly on that front? Then I will ask Mr Austen to speak a little about it, and welcome him in the process as the Director of the Tasmanian Institute of Sport, to speak a little to that and also the Winning Edge strategy and how that is applied here, bearing in mind it is a federal government program that we do our best with. Craig, can you talk about ours.

**Mr MARTIN** - We do not have any programs at Sport and Recreation that assist children who are picked in representative teams, but the Australian Sports Commission does through their Local Sporting Champions program. That program can provide \$500 to each child aged between 12 and 18 who is picked in representative teams. That would fit the bill for the person you are talking about there, Mr Finch.

**CHAIR** - It would help; \$500 would not go a long way, but it goes some way.

**Mr MARTIN** - Yes, it is easily accessible online and you can apply online to that program.

**CHAIR** - Do people generally know about?

**Ms RATTRAY** - I have never heard of it.

**Mrs ARMITAGE** - I have never heard of it.

**Mr MARTIN** - I would be pretty sure that they do. It is pretty well publicised.

**Mr JOHANNES** - It would be fair to say we quite often get letters from parents and quite often we get letters from kids who raise this issue with us. When we write back to them, we would direct the parents and the kids to these sorts of opportunities and to the fact that quite often organisations like the local Lions Club might also -

**Mr VALENTINE** - We get all the letters coming in saying, 'Can you please contribute -'

**CHAIR** - I was not aware of that. I generally send a letter saying 'Here's my contribution but you could also apply for ...', but I am not aware of that one. I have never put that in my letters.

**Mr JOHANNES** - That is a really good program. It is called the Local Sporting Champions Program. We also provide funding for athletes, and Paul might like to talk a bit more about this, who get picked to go away internationally to represent Australia in national sporting teams - .

**CHAIR** - That comes from?

**Mr JOHANNES** - The TIS and the National Representatives Fund. Paul might like to talk about that.

**Mr AUSTIN** - First of all, the Institute of Sport provides opportunities to develop athletes in a number of ways. The first entry point is often the National Representatives Fund that Craig mentioned. It is a straight allocation to help someone compete overseas. Outside of that, we have a number of entry points into the institute that will pick up where an athlete is on their pathway. That is often related to what support they are getting from their sport.

The institute has an assisted athlete program that gives short-term support through its services - strength-conditioning, science and nutrition input - as well as funding. The general principle is that athletes move to full scholarships based on their performance and their longevity in the sport. Coming from the top-down, if we talk about the Winning Edge strategy that effectively is the prioritisation of sports for Australia and the categorisation of athletes underneath that.

Tasmanian sporting heritage sits strongly within the sports of cycling, rowing, athletics and hockey, and to a lesser extent, sailing and netball. Under this model, they are all priority sports. In relation to us implementing or supporting a national strategy, there is no impact upon that. It provides a stronger opportunity for athletes within those sports, which are clearly where we invest all our energies. The Winning Edge strategy gives athletes at what we call the podium- and podium-potential level - winning at the Olympic level or making the final - a high level of support. The system underneath is supported by the sport. The sport invests back to the institute by making sure that someone who is between four to eight years away from representing their country is supported all the way through to representing their country.

The institute is focused around those sports. Issues arise for Tasmanians when they happen to be in sports that are not strong contributors to Australia's sporting success. It then becomes a fairly difficult pathway for them to follow.

**CHAIR** - Can I raise an instance? Last week I had a letter from one of my other local members to say that he is supporting young Jack Hale, who looks as though he is going to be a champion, and asking the rest of us to support him. I would have thought that Jack would fit into something like the Winning Edge.

**Mr AUSTIN** - And Jack does.

**CHAIR** - Why does he still need a whole lot of money to help him go interstate for selection?

**Mr AUSTIN** - First, because some people are prepared to ask. Jack is assisted by the Institute of Sport. He also receives some funding from athletics in relation to going to the junior world championships, but that does not fully cover that experience. Under the models of driving athlete development, it would not be appropriate to fully fund an 18-year-old to go to a junior world championship with the amount of resources available in the system. That is even outside of the institute; it is within the national system itself. Jack is an assisted athlete. He has access to all the TIS services - being able to go to the gym and get input and things like that. There is still a funding shortfall. For his particular circumstances, that creates an impost to his parents and they do what they can to try to offset that.

**CHAIR** - Thank you.

**Mr FINCH** - As much as you know, Premier, is the Institute of Sport funded to an appropriate level for us to be able to perform to that good Australian standard that gives us those athletes who develop in our community and are able to perform at a national and international level? What sense do you have of the history of the Institute of Sport and where we sit now? Do you think we could do more?

**Mr HODGMAN** - My perceptions, and that is all they are as a new minister, and one that can be well supported by evidence in terms of our Outputs. The track record has been strong. In many respects we could arguably be said to be punching above our weight. My initial perceptions are that the facilities and amenities we have available are not adequate. They are expensive assets we have to maintain, in the first instance. I hope in the future we look at a way to provide for amenities that serve our athletes and their coaches better, to give them the best chance. I will let Paul speak a little more as to our progress against the KPIs and how we sit against other jurisdictions. That would be my first impression having recently visited both facilities. The base in Launceston but also here in Hobart - Hobart perhaps being a lesser example of quality sporting facilities for elite athletes. I cannot imagine it compares at all favourably with what other states have.

**Mr AUSTIN** - That is correct. We have a number of challenges in relation to contemporary facilities and to provision of athlete needs built around recovery. The plunge pools, massage, access to physiotherapy. There are ongoing demands we face as an institute. They are not unique to us. Different institutes around the country have different levels of facilities. Some have fantastic facilities. Some have slightly less but they are ever present within high performance sport. There are always more demands for improvement, new technologies particularly, that we have to face. In relation to the quality of athletes we work with, the biggest pressure we face is the ability of state sporting organisations, and the environment underneath them, to continue to produce them. From the point of view of the institute our resources are adequate to take that talent and allow it to compete or to be world class.

**Mr VALENTINE** - In the future, minister, do you see the Silverdome being the location for that development of the TIS, that continued involvement with the north of the state?

**Mr HODGMAN** - Certainly, very important. It is not without its cost but it is very important infrastructure. It is a better set-up for the athletes who use it. We have to bear in mind there are athletes at either end of the state and many - Paul, correct me if I am wrong - who come from the north down to Hobart.

**Mr AUSTIN** - That is correct. We currently operate a facility where 67 per cent of our athlete mass is based in the south. At the moment we are not able to provide them with the same quality of facilities as we do in the north. The Silverdome is a fantastic facility for us and the strength of the cycling program. That is as good as anywhere in the country in relation to those facilities. When we look at the sport of hockey, a team sport, that needs to be located at one particular location, you cannot have it spread around. In rowing and athletics, the athlete quality comes predominantly from the south, by statistics. We are unable to provide the same level of facility access to those athletes. That is very important to us. Our charter is to provide the best service we can to all athletes around the state. At the moment there is an inequity in that provision.

**Mr VALENTINE** - How do you overcome that? How do you provide them?

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**CHAIR** - Through forward Estimates, through the room here, we have been told.

**Mr VALENTINE** - How do you provide it? Do you partner with other providers?

**Mr AUSTIN** - There are a range of opportunities we continue to look at which are about meeting that demand for better facilities, including improving of the current facilities in the south. Over time it needs addressing otherwise it becomes harder and harder to provide a standard to support the athletes.

**Mr FINCH** - We have been bandaiding over many years now, with the TIS. The results have been quite fantastic with the restraints and restrictions and the limitations you have spoken about in servicing all our state's athletes.

**CHAIR** - Any further questions on the TIS?

**Mr DEAN** - Swimming is an interesting one. We had a young lady recently who said she and her family had to move to Queensland to get an opportunity to get into national competition, and have a chance at the Olympic Games. That is a sad situation. Obviously swimming is not catered for here at the necessary level. Is that it?

**Mr AUSTIN** - That is partly true. It is catered for, but the biggest issue swimming faces is the quality of the coaching. There are models in coaching that require a professional fee for service arrangement with the pool to attract a good coach. We have a number of coaches in this state who can get an athlete to a certain standard, which is clearly where the girl Titmus has got to, but we do not have the coaching experience to take them to the next level.

Unfortunately, in that particular circumstance the coach re-located back to Queensland because they were unable to get a working model in place that would enable them to generate income outside of coaching.

We are investing in swimming at the moment by having Leigh Nugent come to the state and provide coaching direction. We have a three-year plan to try to drive the coaching expertise up, but we still are captive to coaches that are basically part-time or do it as volunteers. They run out of the capacity to drive talent to the next level.

**Mr DEAN** - Where we have a person of the calibre of Steve Titmus' daughter, does the TIS offer any support if they have to go to the mainland to seek a higher level of coaching?

**Mr AUSTIN** - Yes we do. We will provide her with a scholarship for the next 12 months, based on her performance standards, and at the end of that 12 months it will be reviewed. She may be handed over to the Queensland Academy of Sport if she hits their entry standards. At the moment, Ariarne would not be able to get a Queensland Academy of Sport scholarship based on the entry standard for swimming, but she has met ours. We will support her and there will be a gradual handover if she continues to progress.

**Mr DEAN** - Are we supporting any other persons at present, in other areas on the mainland?

**Mr AUSTIN** - In swimming we have Jacob Templeton, also in Queensland, who we are supporting. There are a number of athletes, who I will not attempt to name from memory, around the country where we have those relationships. We are stepping them up and holding their hands



until they can be supported by the location they need to be in. That is part of what we do to assist them. There comes a point where we cannot do it, because we are not there, and we hand them over to the next institute.

**Mrs ARMITAGE** - Our standards are a little bit lower than Queensland?

**Mr AUSTIN** - In swimming? Yes, that is correct. The reality for swimming is that to hit some of those standards you have to be a world champion, because we are so competitive in female swimming.

**Ms RATTRAY** - Chair, following on from Mr Dean's question on other sports, what about sports that have no focus? For instance, in my electorate I have a fantastic young guy named Bailey Groves who is a shooting specialist. He is national champion, but he receives no support whatsoever.

**Mr AUSTIN** - That is not correct. He is a scholarship holder with the Institute. It has only been for a month.

**Ms RATTRAY** - Fantastic. Obviously it has not reached my inbox yet. I am so pleased I asked the question.

**Mr AUSTIN** - We still have the capacity to support any athlete of calibre, regardless of sport. Our responsibilities fit within those sports that Australia completes in at Olympic and Commonwealth Games and world championships. No one is excluded, depending on their standard. For the smaller sports, though, it is very tough.

**CHAIR** - Ice skating?

**Mr AUSTIN** - Very tough.

**Ms RATTRAY** - I have got a win today. I do not need to ask another question.

**Mr FINCH** - Minister, the Premier's Physical Activity Council. Do the activities of that, or the focus of that, fit in the portfolio of Sport and Recreation.

**Mr HODGMAN** - Yes, it is an ongoing council that we provide \$60 000 to maintain. It is designed to achieve the same objectives that the Government has, at increasing participation and engaging with key stakeholders. There is a preventative health aspect to it as well. Community awareness is important and they are very active by the Chair, Mr Graham Lynch and other senior Tasmanians who sit on the council, in promoting activity and campaigns throughout the year.

They have been, and are, a very important part of the work we do. A more holistic, whole-of-government approach is driven by industry and stakeholder interests and we are probably due for another meeting pretty soon.

**Mr FINCH** - Is this specifically to include you as the being the lead person and setting the example?

**Mr HODGMAN** - Yes, it is, and it provides that high level and whole-of-government perspective.

**Mr JOHANNES** - I introduce Helen Langenberg. Helen is the Manager, Development and Community Sport and Recreation Tasmania.

**CHAIR** - Welcome, Helen, and Tim is back at the table as well.

**Ms LANGENBERG** - Good morning, the management of the participation team, which comprises the Premier's Physical Activity Council sits within the team that I lead. It is very important that the Premier heads up the Premier's Physical Activity Council because the council works across a broad range of stakeholders, local government, other agencies within the state government but also with community organisations. That is part of the strength of it, to have that level of authority, interest and influence from the Premier being involved.

The achievements of the council are slow to unfold but there have been significant achievements made and the progress is difficult to measure because a lot of the issues we are dealing with, through the council, are longer term, institutionalised, more environmental, issues. The work we are doing, in feeding in to creating liveable environments, and encouraging physical activity, is one of those issues.

The work that was done in developing the Healthy By Design resource and through using that resource to have input into the regional planning schemes and also into the work that is being undertaken around the state planning scheme, is really important. It is the foundation for the future.

Another project that is unfolding is the work we are doing with the Schools Strategy Working Group, which is working with all three of the education sectors on creating an environment within schools which is about moving more and sitting less, not just about getting kids involved in sport.

**CHAIR** - Could you introduce that into Parliament?

**Ms LANGENBERG** - We have some corporate activities we could use and some of the information is transferable. We welcome the opportunity if members of the Chamber would take the lead on this, because it is an important community issue - the issues of sedentary behaviour, which is largely driven by sitting around tables like this and the things that we do in our working lives.

**CHAIR** - This week we are here basically from 9.00 a.m. till 6.00 p.m., everyday. There is very little opportunity for physical activity during that time.

**Mr FINCH** - I am surprised I have been here so long. I would normally go for a walk, five times a day.

**CHAIR** - We can have standing meetings.

**Ms LANGENBERG** - That is fine, but we work across a range of sectors, so we are looking at focusing on schools, through the schools working group; working predominately with local government and planning institutes around environments but also working on other targeted population sectors. We are looking at a place-based approach to communities, which will not cut across entire local government areas but targeted hubs or focus points within communities. And looking to work closely with neighbourhood houses about other ways to introduce more activity

into communities. Specifically, low cost accessible activities. It is not to say that the council is anti-sport but that sport is an important component of physical activity.

**Ms RATTRAY** - It is expensive.

**Ms LANGENBERG** - Discretionary choice is one of the things we think of in the amount of money people spend on lifestyle.

**CHAIR** - You are not going to tell us to find better paying jobs so we can afford to go to gym.

**Ms LANGENBERG** - You can be confident I will not channel Mr Hockey at any stage.

**Mr FINCH** - People on this side of the table, of a certain vintage, might remember the time at school when physical activity and team sports was very much de rigueur. It would be what we would do. That has changed over the past two or three decades.

**Mrs ARMITAGE** - Not at all schools.

**Mr FINCH** - No, not at all schools. That is up to the schools themselves to have that focus on sport. The principals and the team might choose to do that. I am interested to hear you talk about getting that message into schools or working in cooperation with the schools. How do you view that, minister, in respect of that shift away from the school being solidly involved and pressure being put on the community to provide those sporting opportunities for our developing young people in their physical activity?

**Mr HODGMAN** - Yes, there has been an obvious shift over years. Greater expectations are being placed on parents as volunteers to support sports programs in schools - both public and private.

**Ms RATTRAY** - That is not even easy now, minister. It is not easy to be a volunteer. You have to get a check, you have to register. You cannot just turn up and support the local junior footy club on a Saturday anymore.

**Ms LANGENBERG** - In relation to that, it is heartening to note though that the cost for volunteers to achieve Working with Children checks is at a much lower level. There is a higher level for those who are employed. The Government supported the idea of making the Working with Children checks cheaper for volunteers in sport. That is a significant achievement. The Sporting Schools Program which is rolling out from July 1 replacing the Active After-School Communities program is much more flexible in terms of what it is going to do. It is no longer after schools, it is sporting schools; it is about encouraging the take-up of sport before, during and after schools.

The resourcing around that, much of which is online so the profile of it has changed, is up to individual schools. Schools can apply for funding from Sporting Schools and then implement sporting programs within their schools. That applies to all primary schools across the state. Every primary school across the state has been contacted directly, whether they are within the state government system, independent schools or Catholic schools.

We are working with the Australian Sports Commission to work on the take-up to that program. The biggest issue is the capacity of providers, capacity of coaches. That is at all levels within sport - national sporting organisations and others - and we are working with several of the key state sporting organisations to look at more innovative ways of up-skilling coaches and developing those skills within communities, even remote access to coaching accreditation and training so that in the more isolated parts of our community, people have the confidence and skills to deliver a quality product for children.

**Mr FINCH** - I think 1994 was the Year of the Coach. It was developed right through the community, throughout Australia, and coaches were focused on. Minister, may I again highlight that focus I wanted to bring on the education system and your Physical Activity Council. I am sure they are concerned about obesity and inactivity of many of the young people in our community; it is not a good thing. Hence our trying to get that focus into the community, into the schools, to make sure we teach our young people how to be active and give them the opportunity to give it a try. Would you like to comment on that?

**Mr HODGMAN** - I certainly accept that. We have a number of things underway and the Education minister will be able to talk specifically to a number of the things that have happened.

The note I have just been handed is confirmation of our ongoing support for the School Sport Australia program. You might remember this time last year or perhaps earlier there was some public uproar when that program was defunded, as had happened under the former government. Not having been provided across forward Estimates for it, we were left with a small funding shortage there. We have re-signed to allow many children, nearly 300, to participate in that in 2013-14. It is another example of government partnering with an organisation that allows access into sporting competitions in other jurisdictions. It is well-subscribed. The Department of Education is responsible for that. It does not come under my patch. That is another one of the ways; Helen has mentioned several as well.

We are not proposing compulsory physical education in schools, if that is suggested. There are other ways we believe we can engage and get kids healthier. The Premier's Physical Activity Council is important because it is whole-of-government and whole-of-community; it is multifaceted and it sits across all jurisdictions. We are lobbying to get a national meeting of sports ministers as well to better coordinate our activities. That has not happened in my time but is happening later this month as well. That will bring the Australian Government and state governments together.

**Ms RATTRAY** - In relation to the funding and the initiative for primary school students, why is it not right across all schools and into high schools? To be honest, probably the ones in years 7 to 10 need to burn off some energy and be not be so disruptive in class.

**Ms LANGDONBURN** - It is a national program and the focus is on primary schools. Although part of the program - it has been announced for the next four years - is going to look at pilot projects in secondary schools. It is simply a matter of resourcing, but it is also an acknowledgement of the fact that those foundation years are crucial in terms of setting good habits.

**Ms RATTRAY** - I am not disputing that at all.

**Ms LANGDONBURN** - In terms of (2), the responsibility to some extent once you get to secondary school and then into the college system, it is seen that more of that responsibility falls to the sporting organisations and to community-based sport. Addressing that participation cliff, which is what they are calling the transition from grade 6 into grade 7, is on the agenda for all national sporting organisations. The sense is that if your kids are introduced to sport in primary school, so long as they have been embedded into club-based sport by the time they get grade 6, the indicators are that they are more likely to continue to be involved in sport. Not necessarily in that sport, but in any sport, because they have attachment to a club and they know where the resources and facilities are in the community.

**Mr DEAN** - Can I raise Hawthorn here?

**Mr HODGMAN** - Yes, you can. It is Events, so it might be better -

**CHAIR** - Let's go on to grants and subsidies -

### **Grants and subsidies -**

**Mr DEAN** -. I am not quite sure where the state will fit in here, but the athletics centre at St Leonards has to be resurfaced. Currently an application for support has been made to the state in relation to that.

**Mr MARTIN** - I am not aware of an application to the state.

**Mr DEAN** - Local government has been approached. I thought the state had. If it has not, it will certainly come through. That track is providing a service to many young sportspeople - juniors has a big following. That application will be coming soon.

**Mr MARTIN** - They could apply through our major grants program. That is \$80 000. I am not sure what the cost would be, but they can certainly apply through the major grants program.

**Mr JOHANNES** - That program opens in early July.

**Mr DEAN** - The other one is the Silverdome. It is a fairly high maintenance area and there is an amount there for that. What is happening with the Silverdome?

**Mr HODGMAN** - We are putting money into that. We have had some discussion about its value but also the costs. It has an ongoing operating deficit. Part of what is happening is an ongoing effort to utilise the facilities as often as we can for sport and other events to increase its revenue. We are providing \$556 000 in 2015-16 to supplement the revenue that it generates. The department has put on a business manager who is principally tasked not only to seek out revenue opportunities, but also to identify cost-reduction strategies, to review the model for charging potential new patrons, and to improve marketing partnerships to try to bring the deficit down.

[10.45 a.m.]

**Mr DEAN** - What capital works have been done?

**Mr JOHANNES** - There is \$500 000 in the Budget this year for capital works at the Silverdome to address essential maintenance, which is part of an ongoing program previously under the Department of Economic Development. The work is on essential maintenance.

**Mr DEAN** - Which is just structural work?

**Mr JOHANNES** - Mr Bullard might have a list of some of the areas of expenditure?

**Mr BULLARD** - They are fairly mundane things that need to be done. Some glazing needs to be replaced along the glass concourse area, some repairs need to be made to the roof, a small amount needs to be spent on the air conditioning, the hot water cylinder and other water service upgrades, the rainwater gutters and roof penetration issues. It is day to day maintenance you would expect in a facility of the age of the Silverdome that needs to be undertaken on a year by year basis.

**Ms RATTRAY** - It has a leaking roof?

**Mr BULLARD** - And a faulty hot water system.

**Mrs ARMITAGE** - What work is needed to bring it up to work health and safety standards?

**Mr BULLARD** - The glazing has been an ongoing issue with water leakage into the concourse area, which is a hazard because it makes the floor slippery. And some of the work that needs to be done to the air conditioning unit to bring it up to an acceptable standard for a public space.

**Mr DEAN** - I probably should have asked this question before, Chair, so give me a little leeway. The member for Rosevears would be well aware of this. The issue at the Silverdome involving the cycling club, has that all been sorted out? There were issues with the club accessing and using the centre, going back 12 months or so.

The Silverdome was a purpose built centre, originally, for cycling. Their concern was that they could not access it when they needed it because other sports were being played there. They were gradually being pushed out and it was becoming cost prohibitive for them. Perhaps the member for Rosevears might know more about that than I do, because they have not approached me in the last six months. Has that been sorted out? Are they now being accommodated in a way that is suitable to their sport?

**Mr MARTIN** - We have had a number of discussions with Ian Loft, the president of the Launceston Cycling Club, and it is possible they might build a clubhouse on the site - at the Silverdome. I have received some indicative plans on that, but it is still a fair way down the track before that becomes a reality. Certainly, conversations have been ongoing about them having a presence at the site. They wanted to have a presence inside the facility. We did not think that was going to fly, but it may well be they have a dedicated clubhouse on the site.

**CHAIR** - The problem was not access to the track?

**Mr MARTIN** - There was that, but mainly the issue was to do with them not having a presence there. They did not have anywhere to put their trophies and memorabilia - that sort of thing. I have not had a conversation with Mr Loft for a while, although I have received some plans, through one of our client managers, to build a small club room on the site near the Silverdome.

## UNCORRECTED PROOF ISSUE

**CHAIR** - Has access to the track been resolved?

**Mr MARTIN** - I have not had any complaints, or any issues from Launceston Cycling Club with that for some time.

**Mr JOHANNES** - Our understanding, Chair, from Mr Austin is that there were some issues with timetabling but they are being sorted out now to make sure they can get appropriate access.

**Ms RATTRAY** - Is space inside the Silverdome an issue for not being able to have a club area?

**Mr MARTIN** - Yes, that is right. There is no dedicated space inside the Silverdome for them to have clubrooms or a clubhouse.

**Ms RATTRAY** - Could it be refitted?

**Mr DEAN** - What was lost in all of this, and this was coming from the cycling club, was that that was the reason the Silverdome was built. It was built for cycling. Gradually they were being pushed out but it looks like some of these issues are being resolved, and that is good.

**Mr MARTIN** - As Mr Austen and Mr Johannes just said, a lot of it was an issue to do with the scheduling. The Launceston Cycling Club provided the Silverdome management with advanced notice of when they were going to need the facility. I think that has addressed quite a few of the issues they had.

**Mr DEAN** - Thank you.

**Mr VALENTINE** - In respect to the Sports Carnivals Association of Tasmania, how much do they receive each year? I am interested in that first and foremost, given they run a significant number of connected-up events across Tasmania. I realise you have the north-west sports carnival series being funded out of these grants but I want to ask about that in particular.

**Mr HODGMAN** - In 2014 we committed to funding the Sports Carnivals Association of Tasmania by \$150 000 each year for four years, and that is reflected in the Budget.

**CHAIR** - That was just the north-west, though? That is what it says here.

**Mr VALENTINE** - That is the north-west sports carnival series. But there is the Sports Carnivals Association of Tasmania, I believe.

**Mr MARTIN** - There are a series of carnivals. Most of them are in the north and north-west but it also includes the one held down here at New Town.

**Mr VALENTINE** - Bikes and Spikes?

**Mr MARTIN** - That is right.

**Mr VALENTINE** - I am wondering whether the association itself is funded each year from grants.

## UNCORRECTED PROOF ISSUE

**Mr MARTIN** - The Sports Carnival Association? Yes, it is.

**Mr VALENTINE** - How much do they get?

**Mr MARTIN** - \$150 000 a year.

**Mr VALENTINE** - So that north-west sports carnival series is on top of that?

**Mr MARTIN** - No, that is all. The sports carnival series comprises the following carnivals: Rosebery, Latrobe, Launceston, Devonport, Burnie, Hobart and St Helens.

**Mr VALENTINE** - Seven carnivals.

**CHAIR** - So that is the association?

**Mr MARTIN** - Yes, SCAT, the Sports Carnival Association of Tasmania comprises those carnivals.

**CHAIR** - When it says north-west sports carnival series, it is a different name.

**Mr MARTIN** - It should probably say Sports Carnival Association of Tasmania.

**Mr VALENTINE** - Okay. I am aware that the southern one - which is important in the scheme of things because it is part of a number of those - gets about \$4 000 a year. I am not trying to be parochial here but it is a statewide series of events and it is a link in that chain. There is really no capacity to build. There is a lot of interest in cycling in the south and I am sure even more so in the north and north-west perhaps. As an activity, it needs to be supported. I am wondering, \$4 000 is not a lot of support for a carnival, the only one in the south, I believe - is that right?

**Mr MARTIN** - Yes.

**Mr VALENTINE** - Can this be given further consideration? It has a cycle track and it has just been upgraded. It is significant, it is at New Town Oval, which is almost out of sight, out of mind. New Town Oval is behind the Buckingham Bowls Club. I wanted to draw that to your attention.

**Mr MARTIN** - I could take that up with Mike Gunson, the president, if you like.

**Ms RATTRAY** - It would be good to have on the record the allocation for all the carnivals. I know the St Helens community works very hard to provide sponsorships.

**CHAIR** - They might all only get \$4 000 each.

**Mr VALENTINE** - They may well do, that is exactly right.

**Ms RATTRAY** - They might do and we are wondering where the rest of it goes if there are only seven, so thank you.

**Mr JOHANNES** - Premier, Helen has some more information specific to the funding.



**Ms LANGENBERG** - Certainly. The \$150 000 that goes to the Sports Carnival Association of Tasmania is in recognition of its role as the umbrella body for all of the carnivals.

As the members would be aware, there are concerns over many years about the future of the carnivals, their viability and their sustainability. Some of that was to do with changes in population, and people's expectations. Some of it was also to do with the way the individual carnivals were being conducted and that the appetites of consumers, the people who would go, had changed. They were not prepared to go for 12 hours a day to watch the whole range of events.

A considerable amount of work has been done by the Sports Carnivals Association of Tasmania, working with member clubs, to change the products of the carnivals, while retaining the important traditional and key elements of them, but to also shift them slightly so they better meet what it is people want to go to. Things like concentrating some of the key events into two hour time slots, either in the late afternoon or early evening, so that people can go to them.

Some of that also involves some fairly hefty discussions with member clubs about shifting the time of the individual carnivals. The problem that the Hobart carnival has in relation to cycling is that its timing does not align with the key cycling carnivals that are predominantly held in the north. It can attract a key cohort of national and international riders to concentrate their competition in what is a fairly tight time frame before they go off to other national or international commitments or events that are perhaps more lucrative in prize money.

The challenge for the Hobart Bikes and Spikes is to shape that carnival so that if it can back-end on to the existing north/north-west carnivals, or to change its focus slightly and align more closely with athletics, with which it has a closer link in the south, and to look at some other cycling event in some other way, either timed differently, or to capture the growth in cycling in the south.

**Mr VALENTINE** - They have international competitors there. I have been quite often to this event and they seem to attract international competitors.

**Ms LANGENBERG** - They attract some, but not at the moment.

**Mr VALENTINE** - Some, not a lot.

**Ms LANGENBERG** - A lot of them are under so much pressure, or they have access to other events that are more lucrative, or they have more potential to gain prize money in. This has been a very delicate series of negotiations between people very tied to traditional carnivals and what they have offered in the past, to what we need to have for them in show casing the state, serving the needs of the spectators, but also providing the opportunities for the athletes, be they the wood choppers, the cyclists or the runners who are involved.

**Mr VALENTINE** - Given the interest that is developing in cycling, it seems there is a lot of value in these carnivals and if it can be stitched together better, then great.

**Ms LANGENBERG** - In cycling there is a lot of interest, but some of that is in different aspects of cycling.

## UNCORRECTED PROOF ISSUE

**Mr VALENTINE** - Understand that.

**Ms LANGENBERG** - Some of that work has been done by the Sports Carnivals Association of Tasmania and also by Caribou Publications who have been involved in re-shaping the carnivals in recent years. A lot of that hard work has been done and now they are poised to go to the next step.

It is about investigating what is suited to where, and an issue raised a couple of days ago was about the safety of tracks. That is another consideration which weighs heavily on local government who are the owners of a lot of these facilities, to see if what we are providing is meeting what people want. To pay that cost, is that sufficient for the benefits we receive, or do we offer more of the criteriums or other cycling events.

**Mr VALENTINE** - It is probably a matter of promotion. I reckon half of Hobart does not even realise it is on.

**CHAIR** - The question was about the \$150 000 allocation.

**Ms RATTRAY** - We are going to get that list aren't we?

**Mr HODGMAN** - I will clarify what you are seeking as a breakdown of where

**Ms RATTRAY** - Of where each club gets what funds.

**CHAIR** - It is not for the club, is it? It is for the association.

**Ms LANGENBERG** - The funding is provided to Sports Carnivals Association of Tasmania. It is not provided on any basis that we allocate a set amount to individual clubs. It is a decision making process of that body as the umbrella or peak body for the sports carnivals, to determine what the priorities are and what the best funding is. The individual carnivals have some fairly complex financial arrangements of their own in relation to local sponsors, as well as receiving some funding from SCAT.

**Ms RATTRAY** - We can still have that information.

**Ms LANGENBERG** - On what the funding is for, and what the KPIs are for SCAT to receive it?

**Ms RATTRAY** - No, what they received last year. Is that not available? Can SCAT not provide that? I am sure they can.

**Ms LANGENBERG** - We can ask them to provide that. We can require them to provide it necessarily in terms of -

**Ms RATTRAY** - I am sure they will not mind giving it up.

**Mr VALENTINE** - Thank you for that.

**CHAIR** - Then we are on the Capital Investment Program, which I think has been dealt with. I am conscious that we have spent two hours on this, rather than one.

**Capital Investment Program**

**CHAIR** - Men's sheds.

**Mr HODGMAN** - It does not come under Sport and Recreation. It will come later today.

**CHAIR** - This particular line item is Community Sport and Recreation.

**Mr HODGMAN** - All right. Let us see how we go.

**CHAIR** - We can deal with that this afternoon.

**The committee suspended from 11.01 a.m. to**

**Output group 6**

**Community, sport and recreation**

**6.2 Office of Aboriginal Affairs**

**CHAIR** - We will go on to the Division 7, output 6.2, Office of Aboriginal Affairs. It is still under community sport and recreation.

**Mr VALENTINE** - Premier, in light of the obvious issues that occurred, not under your Government, with the Brighton bypass some time ago now, has the Government done anything to improve the consultation processes with the Aboriginal community? Perhaps you might like to cover that?

**Mr HODGMAN** - Certainly we have. I do not want to dwell on what happened under the former government or on what we are doing better, necessarily. As minister and as the Premier, I am consulting extensively with the Aboriginal community in all regions across the state. I will be on Flinders and Cape Barren in next week or so, or maybe the week after, as part of this ongoing process.

I have described our approach to Aboriginal Affairs as a re-setting of the relationship between the Aboriginal community and our state Government. As a new Government, a new minister, I wanted to approach this without any preconceived ideas. It is impossible to wipe the slate clean, but perhaps we can draw a line in the sand.

**Mr VALENTINE** - Fresh approach?

**Mr HODGMAN** - Yes, approach things differently, with an open mind, not presuming to have any preconceived ideas or understanding of all the issues important to the Aboriginal community. I want to hear directly from them what their priorities are, and understand where there are opportunities for progress. I certainly want to hear where they think things can be better done. When we can make positive advancements, I want that to happen as seamlessly as possible.

Now, the issue at Brighton was not raised with me as part of that consultation. I am not directly involved in the management of land and the treatment of Aboriginal relics; that comes under minister Groom's portfolio.

However, in my consultations it is often raised as an issue. We are working constructively and proactively on a number of things. A few matters are the subject of some contention, but there has been some significant and positive progress. At a symbolic level, I think the notion of inquiring into possible changes to our constitution is one such thing; with the parliamentary inquiry to look into that matter, there has been some significant progress.

I am committed to ongoing consultation. I am committed to understanding the priorities of Aboriginal communities. I am committed to identifying areas where I think there are also opportunities. Aboriginal - Indigenous tourism is an area where my portfolios neatly align. It is a space in which we are making some significant and positive progress.

**Mr VALENTINE** - That is good to hear, Premier, to be quite honest, from my perspective. You talk about constitutional change. Obviously the Recognise program is running.

**CHAIR** - Is the Government supporting that?

**Mr HODGMAN** - Very much. The lower House unanimously passed a motion that I moved some time ago in support of the change to our national constitution. That process is ongoing. We recently had a delegation from Recognise present to us here. We are actively engaged in that. My thoughts were that, like other jurisdictions, we can also do more here in our own jurisdiction. A potentially relatively less complicated process, or less difficult challenge, is simply changing our Constitution Act, as opposed to seeking a mandate from the people.

**Mr VALENTINE** - Obviously the consultations associated with that are pretty important if we want to get it right.

**Mr HODGMAN** - Yes, we are very aligned in terms of our objectives; they sit neatly together. I thought if we are going to argue for change at a national level, we would be better placed to do so by demonstrating that we are prepared to change our own constitution. That would send a very clear message to the people of Tasmania that there is uniform or broad agreement. It may not necessarily be so in the Legislative Council. I don't presume to know that. Certainly in the House of Assembly it was passed unanimously. That is not to say that the inquiry is a *fait accompli* and there may be various matters raised through that process that demonstrate it is not as simple as it sounds. But it is less challenging, and possible in a much shorter time frame, than the national reform agenda, which is some years away.

**Mr VALENTINE** - You mentioned the Relics Act, and that is under the minister, Mr Groom - does that mean the Aboriginal Heritage Act, which has been considered in the past, is also under his consideration?

**Mr HODGMAN** - Yes, it is and the minister is reviewing that.

**Mr VALENTINE** - I am hearing that the Aboriginal community does not necessarily want a heritage act of its own. They want to be included in the Tasmanian Heritage Act.

**Mr HODGMAN** - Yes. That is one -

**Mr VALENTINE** - I do not know whether you have any comments on that?

**Mr HODGMAN** - It is one perspective and not dissimilar to the notion of constitutional recognition, where there are some members of the Aboriginal community who are fundamentally opposed to that and would prefer alternatives. It is not uncommon and it is appropriate during these consultations to gather all views from either extremity - and I am not saying they are extreme views, but from either end of the spectrum.

The discussions on the relics legislation are principally being undertaken by the minister. I am diverting my efforts and energies into those areas for which I have direct responsibility. There are a number of them and they include things like possible land hand backs, joint land management, constitutional recognition, advancement of tourism opportunities and most importantly - and often perhaps not overlooked, but not necessarily always the subject of political discussion - the Closing the Gap initiatives undertaken in combination with the federal government to improve outcomes in education, social services, health et cetera. That is a combined effort between state and Federal governments and the whole community.

**Mr VALENTINE** - With respect to the land handbacks, prior to the last election this House considered some legislation associated with larapuna and Rebecca Creek. Where is that now? Is it being progressed, or otherwise?

**Mr HODGMAN** - That legislation passed the lower House with our support but it did not progress through to the Legislative Council. With a looming state election, it was perhaps not ideal timing in a number of respects. What should happen, and there is broad agreement for this, is to revisit the opportunities without any preconceived ideas, and that includes not simply picking up where the former government left off. I acknowledge their genuine and well intentioned efforts to progress the legislation but clearly it did not occur.

**Mr VALENTINE** - Was there bipartisan support at that time?

**Mr HODGMAN** - Yes.

**Ms RATTRAY** - It went to a committee, if you remember. There is an extensive report.

**Mr HODGMAN** - In the lower House it passed but it went to committee.

**Mr VALENTINE** - We did not get it completed through the upper House.

**Mr HODGMAN** - A number of matters.

**Ms RATTRAY** - The report is completed.

**Mr VALENTINE** - The report was, but the legislation stalled.

**Mr HODGMAN** - A whole range of issues additional to land returns were canvassed in that inquiry, and it was perfectly appropriate for that to occur. It identified a whole new set of issues. My point is to not repeat the process and get the same outcome, and not assume that what occurred under the former government is necessarily going to pass again. There is a new government and we need to look at things differently. That includes not only the two areas that

were under consideration - which are top of the list of likely achievables - but also other areas of land. And not just for return to the Aboriginal community - we could consider joint management models, which we are exploring with the Aboriginal community. That also includes input from other agencies that have responsibility for parcels of land to make sure we get it right. We are making significant progress on that front, something I do not presume to say will happen easily. There is a range of other matters that need to be worked through as part of the process.

[11.30 p.m.]

**Mr VALENTINE** - Your mind is definitely on it, that is the important thing. As Premier, that you have taken on this role, is very important recognition. You talked about tourism. It was expressed at a recent tourism conference in Launceston that there needs to be a single point for quality, reliable information for those wanting to develop tourism initiatives, particularly in regard to indigenous experiences in the state. Is there any consideration being given to that?

**Mr HODGMAN** - As the Minister for Tourism and Aboriginal Affairs, it is very neatly aligned, the coming together of both portfolios. Part of our consultation is developing, in conjunction with Aboriginal communities across the state, where there are live options for potential tourism development. Eddystone Point is one such place where there is a well advanced concept that over recent years has progressed into a far more mature prospect.

We have funded them to undertake further feasibility assessments, to visit enterprises in other jurisdictions and develop a properly constructed business case for Government, the broader community, and the not insignificant group of potential corporate backers who are interested in partnering. They include financial institutions and other major tourism operators who are well experienced and have good track records in delivering exceptional experiences.

There are a couple of live options on the go. I am doing my best to communicate to the Aboriginal community and tourism operators, that through me and my respective department, through my engagement with the federal government and Tourism Australia, it opens up potential funding opportunities and resources available to develop those operators. There is an extraordinary opportunity.

In the short time I have been directly attached to the tourism side of the business there has been a significant mind shift in what the Aboriginal community believes is possible, and consistent with their values and connections with the land and also to open up commercial opportunities to them. I am pleased that among the broader community there is increased recognition that we have missed a chance to promote what is very special, unique, and, in many respects, a tragic history, and one which can be more widely embraced and can advance reconciliation, greater awareness and understanding of cultural values and the Aboriginal people's connection to the land in a positive way, supporting a wonderful industry.

It helps look after areas more effectively. It helps engage Aboriginal peoples in interpreting and educating tourists and Tasmanians about it. Perhaps telling the story, warts and all, a little better too.

**Mr VALENTINE** - That is right. Other states have significant indigenous tourism. They come to Tasmania to find what is happening here and what our stories are and there are very few stories being told.

**Mr HODGMAN** - A few years ago I went to the Daintree with Nicky and the kids and saw an exceptional, world-class, tourism experience. I thought, why can we not have something like this? Albeit, with a tragic history. Albeit, with some ongoing issues of friction between government and the Aboriginal community about land returns, eligibility and all those complicated things. I will not pretend I am going to be the saviour and provide all the answers.

**CHAIR** - I hope you are. That is the issue I want to raise when you are finished with Tourism.

**Mr HODGMAN** - If we could have one of these extraordinary opportunities, there would be multifaceted benefits of a great industry for the local Aboriginal community.

**Mr VALENTINE** - We are currently running a built heritage tourism inquiry, as you are aware, and I would not want to pre-empt what that comes out with. There is considered to be Aboriginal heritage in this state which you might term as built heritage - the hut sites that exist around the state and all sorts of aspects that might be considered built heritage. That is something for us to deal with.

Moving on a little, under the World Heritage Area Management Plan, there is consideration of the possible development of a cultural business unit. Is that something the Government would be looking at investigating? I understand the review is in draft form.

**Mr HODGMAN** - It is a proposal that is one of the elements of the whole draft plan, receiving interest and it is a work in progress. Some people have expressed concerns about the role it might play but it is actually positive in that it is supplying additional resources in a targeted area from which those businesses or business prospects can be progressed. It is still very much a work in progress.

**Mr VALENTINE** - Given World Heritage areas are very important areas, they need very good processes and procedures for whatever goes on inside those areas. It is something that was raised and I was interested to see whether there might be some consideration.

**Mr HODGMAN** - Mr Groom can tell you more about exactly where that is at, but it has come up in my consultations, and it is part of the draft. We have extended the period of draft - doubled it, I believe - to allow these matters to be worked through. Very briefly touching on joint land management as well, with respect to those tourism opportunities, it is a large part of this, to look at different models how the Aboriginal community might assist and become actively involved in joint land management protocols with the respective department.

**Mr VALENTINE** - Especially in areas, I presume, where there is significant Aboriginal heritage - cave sites and the like.

**Mr HODGMAN** - Yes, that is exactly right.

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### Recognition of Visitors

**CHAIR** - I acknowledge the presence of students from Elizabeth College. The Premier is here at the moment. We are dealing with Aboriginal Affairs in Estimates. The Premier is here as the Minister for Aboriginal Affairs rather than as the Premier. You have chosen a good moment

to come because we are looking into the Estimates for Aboriginal Affairs, a part of the Budget. Enjoy your time and welcome to the Estimates.

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**Mr VALENTINE** - We will have to deal with Mr Groom on the issue of the proposed Heritage Act. I believe over the last 20 years there have been four attempts to put something in place and each one has failed, and so there obviously needs to be some significant thought given to the wishes of the Aboriginal community in that regard. As you say, it is for a different minister, so we will not get a chance to.

**CHAIR** - It needs to be dealt with in the House in -

**Mr VALENTINE** - The dual naming policy. Is that yours, Premier?

**Mr HODGMAN** - Yes, it is.

**Mr VALENTINE** - Can you elaborate on exactly what is happening in that area? I have seen some evidence, even on signs on roads, shows that it is progressing. Perhaps you might like to give us a fuller response.

**Mr HODGMAN** - The policy was first commenced under the former government and the first six nominations under the policy gazetted by the Nomenclature Board in February 2014. Following that, and following appropriate updates to our maps, to the LIST system, to signage and to less formal adoption of those names for other industries, most notably the tourism industry. That industry sees great benefit in dual naming policies.

There has been broad acceptance and understanding of the policy and its objectives and that includes not only recognising the connection that Aboriginal communities have with our land mass but also telling the story of our history, culture and heritage, and again demonstrating another step towards reconciliation, or better reconciliation.

A second tranche, a nomination of eight names for dual naming was submitted by the Tasmanian Aboriginal Centre to the Nomenclature Board for consideration in March this year - under my government, which I am really proud and excited about. They are Mount William, Great Lake, Rocky Cape, Trefoil Island, Sundown Point, Green Point, West Point and Triabunna. They are currently being considered by the board, which is consulting with the Tasmanian Aboriginal community on the nominations.

Following consultation the board will gazette its intention to assign the nominated names in accordance with the Survey Coordination Act 1944 and the rules for place names in Tasmania. People have an opportunity to object if they so wish. I am not aware of any significant objections with the last round, but it is open to people if they want to express a contrary of view to the board for one month following publication. The board considers any objections and provides a report with recommendations to me, as the relevant minister for the policy, and the minister, Mr Rockliff, as well, may confirm, modify or reverse the board's recommendation pursuant to his authority but we are not envisaging anything other than adoption of those new dual names. Sites will progressed in that time frame.



**Mr VALENTINE** - My last question, Premier, is to do with strategic planning and the way forward. Do you have a strategic plan? What will it be concentrating on in the next three or four years?

**Mr HODGMAN** - I can repeat very briefly what I consider to be objectives or perhaps priorities for my government, that we have publicly staked in the ground. I have done that deliberately so people understand our objectives and where there are areas for consideration. That includes the Aboriginal communities themselves, so they know. It comes from those consultations, and I hasten to add these are not things I have necessarily brought forward. We are trying to do them in partnership.

They include constitutional recognition, consideration of land hand backs or returns, and/or different land management models, dual naming being chief amongst them. Also proactively pursuing tourism opportunities for indigenous communities and the industry more broadly. It might be appropriate for someone to -

**Mr JOHANNES** - We can invite Laurette Thorp, also known as Shep, to the table. She is the Director of the Office of Aboriginal Affairs.

**Mr HODGMAN** - Much of what I have identified are high level objectives for the Government. Much of it happens in cooperation with the Office of Aboriginal Affairs, and goes to very practical things we can do to assist Aboriginals and Aboriginal communities in core areas of government business, like providing better health outcomes, lifting education standards and involving Aboriginal persons in sport and recreational activities, as we have already discussed.

**Mr JOHANNES** - Shep, do you want to talk about what is happening in the office?

[11.45 a.m.]

**Ms THORP** - We are taking an holistic approach across a whole range of issues. There are three major areas - recognition of Aboriginal people, the connection to country and culture, and closing the gap on disadvantage. Under those three areas we have an action list. I will give you an idea of what they are. The Premier has mentioned a few of them. Under Connection to Country and Culture, that is about land return and the opportunities about joint management and land management regimes. Currently, we have been working closely with the Aboriginal Land Council of Tasmania about a cave site return. We are progressing that. It is quite exciting and is a partnership that resulted from a gifting of land from Hydro.

Moving on to Closing the Gap in Indigenous Disadvantage, a major role for the office is about the national COAG indigenous reform agenda. From the national perspective, it is about kids in school, adults in jobs, safer communities and early childhood. We have begun working closely with the Commonwealth in that area. That is ongoing.

We developed an Aboriginal Tourism Development plan and we have dusted it off and brought it out again and want to pick it up and see what we can run with, as it relates to looking at tourism opportunities. That also relates to land return.

Last year the Tasmanian Government took on responsibility for the infrastructure and housing on Cape Barren Island, and also housing on Flinders Island. We are looking at what we will bring to the Government as an implementation plan looking long term at how we can

improve the infrastructure on Cape Barren Island and also take forward the housing portfolios for both islands. Our office has been working closely with Housing Tasmania to achieve that.

We are looking at revitalising an Aboriginal affairs portal - revitalising our website. That is another exciting project we have started working on. We are working closely with the Department's policy area.

A really exciting project, that we are aware the Premier is very keen on, is looking at a framework, led by community, about recognition of Aboriginal sites and historical events. That has been brought to us by the community. There are lots of opportunities for memorials and interpretation. It is endless the things we can be looking at. We are in early stages.

**Mr VALENTINE** - How many FTEs are in that office?

**Mr JOHANNES** - It is 5.37. It has not changed.

You asked a question about strategic planning. The Department is in the final throes of finalising its new strategic plan. There is a draft. It will be short and sharp but will have a clear focus. One of the areas we will focus on is supporting the Premier in the Government's work on resetting the relationship with the Aboriginal community, as these strategic plans do. They cascade down at the operational level. The relevant division and office will pick that up. In the area of resetting the relationship, we are also very conscious that the Premier and the Governor are out there engaging with the community. Part of that is seeing what is important to you. We are not going to have a strategic plan that declares all the things we think are important to the community. There is substantial room for us to hear back through the Premier from the community about what is important to the community, and make sure that is our focus.

**Mr VALENTINE** - It is important the strategic plan reflects that community desire, obviously.

**Mr JOHANNES** - Absolutely.

**Mr VALENTINE** - Thank you, I appreciate that. Thank you, Chair.

**Mr FINCH** - I refer to the plans for the future. I am thrilled Aboriginal Affairs is one of your portfolios, Premier. But I cannot help but feel that if somebody - particularly one of our Aboriginal leaders - were to look through the budget papers to see the allocation of money, they would say, 'Well, for goodness' sake, are we serious about this or are we just fiddling around the edges in dealing with our Aboriginal community?'

**Mr HODGMAN** - I would say to anyone who has that view and who would argue for increased allocation of resources or focus, that we are going through a process that deliberately resets the relationship, that acknowledges that there are areas of opportunity and ongoing demands for Government. That includes both state and national levels. We are working with our federal colleagues. The point made about Cape Barren was one such example: we were able to secure over \$15.85 million, I think it was, with respect to assuming our obligations and responsibilities for Cape Barren housing. That came about as a result of hard negotiating with our federal colleagues, which secured a good outcome.

We are doing a lot of work in that space. I ask people to accept that we have reset the relationship. We have not cut funding or government resources to Aboriginal Affairs. We are in the process of understanding where the opportunities I have mentioned lie, and also where we can better target our resources effectively into better service delivery. We have a very engaged office that is dealing with some significant challenges handed to them from me as Premier and minister. I am confident and comfortable with the progress we have made thus far. It is true to say that it is not dissimilar to what we are doing with our family violence approach. We will need to apply resources appropriately to deal with those matters as they crystallise and are more clearly understood by government.

**Mr VALENTINE** - It is fair to say there is other money being spent across the Budget on Aboriginal issues.

**Mr HODGMAN** - Yes, that is right. The issues I mentioned and the work we discussed that is being done by the office sit alongside work done by almost every other government agency - Health, education, justice and so on. The estimated total expenditure is often lost when people look at the Budget allocation to the office or through particular projects that governments announce. By and large, the core business of government by way of expenditure on matters that cover Aboriginal services and support, by Education, Health and Human Services, Police and Emergency Management, Justice, DPAC, DPIPWE and also State Growth comes in at \$8 386 574.

**CHAIR** - Is that for the forward Estimates or the next Budget?

**Mr HODGMAN** - That is for 2014-15.

**CHAIR** - This year?

**Mr HODGMAN** - Yes. To give some context, when people are concerned this is it: it is not. This is very targeted and touches on the issues we have discussed today. A lot of it is also supported by Commonwealth funding provided by National Partnership agreements and the Closing the Gap reforms.

**Mr VALENTINE** - Over and above the \$8 million?

**Mr HODGMAN** - No, I know there is \$523 000.

**Mr BULLARD** - There is about \$500 000 in that \$8 million or so which is Commonwealth funding, which comes through the state. They also run their own funding regime through the Indigenous Advancement Strategy Funding Pool. That does not come through the state. The Commonwealth funds organisations and initiatives within the state.

**CHAIR** - Premier, I have to ask the hard question. It is not right not to raise it. I want to state at the beginning that like you, and like the initiatives you are doing, I am totally respectful of our Indigenous community and I want to see the tourism and all those things developed.

But I have to say to you that you are using the terms 'Aboriginal community' and 'Aboriginal communities' as though they are the same thing. Maybe in your view they are, but I have to raise this in terms of your resetting the relationship.

When we had the committee into hand backs, which is why the legislation was not finalised in the last government, you would have read the report at the time probably, but you might like to look at that report again. One of the big issues it raised was in regard to a land hand back on the north-west coast. There was not anyone who spoke to us who did not agree that the land hand back should happen, but they were very concerned about how it would be managed and who it would be handed back to. It was clear from - and I am sure they will not mind my mentioning them - the Circular Head Aboriginal community that they see themselves as an Aboriginal community, even though they are not recognised as Aboriginal by the TAC. They were very keen for the land hand back to happen, but for that land management to happen with the local Aboriginal community. The only way currently, under legislation, you can hand back land to the Aboriginal community is through the Aboriginal Land Council.

There are a number - and I use this as an example, as we know there are many groups around the state - who claim Aboriginality, firmly believe that and in their own eyes can certainly prove their own Aboriginal descent, who cannot fulfil the requirements of the TAC. It is not simple. I understand that.

We found that everyone was in favour of the land hand back, but how should that should happen? Are you prepared to tackle this hard issue? It is a very difficult issue; it is within the Aboriginal community as a whole.

**Mr HODGMAN** - We do tackle it, each and every day. I do not want it to stand in the way of making progress on a number of things that I have identified today and we have spoken about, that can progress, notwithstanding that very difficult issue that is complicated by the fact that we have an arrangement, or a framework, in Tasmania that recognises some. We have a federal government that has a different arrangement that recognises others. Neither of those is precluding me from meeting with any group of Aboriginal Tasmanians and who consider themselves to be so, including the Circular Head group who I recently met with, to see what we can do with them.

A lot of it goes way beyond and is not impacted at all, nor should it be, on that issue of eligibility when it comes to getting better care for pregnant mums, kids who are not attending school and so on. We can make great progress on that front.

What we are doing, and it goes to the issue raised, is exploring alternative models for land management. Land returns are one option, but not the only one. We need to be open to considering alternatives that may not meet with the approval of everyone, including non-Indigenous Tasmanians. I accept that as well. I want to canvass those options through this process, with these consultations, in these communities. When I say 'communities', I mean geographic communities as well, where there are very different circumstances in the north-west to the east coast, for example.

We are tackling it, I am not again going to claim that I will be able to fix it and I doubt I will because the High Court has tried to do that and it has not fixed it. That does not mean we cannot do much of what we have set down and that is the job I have ahead of me.

**CHAIR** - I just wanted to make sure you are prepared to tackle that because it is a very hard issue. In terms of land hand back in particular, future land management is a very difficult issue.

[12.00 p.m.]

**Mr HODGMAN** - It is similar to the way we are approaching the constitutional issue. We had the debate this week in Estimates, and we have had it in our Parliament, about the concept of a treaty. It was reported I said that a treaty might be inevitable. I did not suggest that. What is inevitable is there will be discussion and debate about a treaty, particularly through this parliamentary inquiry that is considering constitutional recognition. One of objections that some in the Aboriginal community have is that they do not want constitutional recognition. That is not what they seek. It is a treaty.

We can have that debate, but if we go straight to that we will miss the opportunity to at least change our constitution. It is a better way of incrementally improving things and getting good outcomes. Then you move on to the next, more difficult thing. That is not to say we won't be aware of the issue you raised. I am conscious of it but look to alternative ways to get those outcomes, and that was my point on land returns. We cannot simply assume we can pick up that legislation and expect it to pass the House again, because it was only a couple of years ago that it couldn't.

**CHAIR** - Indeed, you might find if it was the same legislation, we would have the same concerns about it.

**Mr HODGMAN** - We have to find a different way and that involves consultation with new people and representatives of your constituencies and this Parliament. That will happen before we make any decision as to what might be the best way forward, because we don't want to hit another road block.

**CHAIR** - None of us do. There was broad agreement that the land should be handed back.

**Ms RATTRAY** - For Rebecca Creek.

**CHAIR** - For Rebecca Creek - for the north-west. For that particular land. That is why I gave that particular example. Thank you for that, minister.

**Ms RATTRAY** - In relation to the dual naming, I acknowledge quite a bit has already been undertaken. I am interested to know what conversations the community has had about changing, or adding another name to Triabunna? It has a postcode. It is not an area like Mt William or Eddystone Point or any of those places. People have addresses there. I would not like to see a change and then an objection. I hope the consultation happens before the change, but I am not aware of anything like that. Can someone give me an update?

**Mr HODGMAN** - The process opens up for people's views on these nominations, whether for or against.

**Mr BULLARD** - There has been consultation with the community and the Glamorgan Spring Bay Council in relation to the dual naming of Triabunna.

**Ms RATTRAY** - I can assure people here that is the first time I have heard of it.

**Mr BULLARD** - It is very similar.

**Mr HODGMAN** - It sounds the same but it is spelt differently.

## UNCORRECTED PROOF ISSUE

**Ms RATTRAY** - Is it going to have two names?

**Mr HODGMAN** - Dual naming.

**Ms RATTRAY** - I am interested, as the local representative, or one of them. I have not heard of this until today.

**Ms THORP** - It won't be a dual name. The proposal will be one word.

**CHAIR** - One name?

**Ms THORP** - That is possible under the policy. I forget the terminology. Obviously there is some more work to be done with that particular name and it is my understanding that the Tasmanian Aboriginal Centre has commenced consultation with the Glamorgan Spring Bay Council. We realise it means every household will have a new street address.

**Ms RATTRAY** - It would also mean that everybody's personal identification - is this something that has been ongoing for a number of weeks, months? I'm stunned that I do not know about that.

**Mr JOHANNES** - We will take that on notice and get some more information for you. Our information is that the TAC is out there consulting with the Glamorgan Spring Bay Council on this proposal. That is as far as it has gone. Let us find some more information for you on what the consultation process looks like and how long it has been in place.

**CHAIR** - Is that the only one of those that is a name change as opposed to a dual name?

**Ms THORP** - In that eight it is, yes.

**Mr JOHANNES** - I am looking through the list. That is the only one where the Aboriginal name is almost identical to the current name except for the spelling. All the others are quite different.

**Ms RATTRAY** - So it not a dual name; it is a changed name? A name change?

**Mr JOHANNES** - I understand that is the proposal currently being looked at by the TAC.

**Ms RATTRAY** - That needs to be separated out from the other list.

**Mr VALENTINE** - It is almost a pronunciation?

**Mr DEAN** - Would it be retrospective? Birth and death certificates and those sort of things - would they have to be changed if that occurs? How far do you go?

**Mr VALENTINE** - The fact that it is a town is the issue.

**Mr JOHANNES** - The other point is that there might be a proposal out for consultation, but that does not mean the Government on advice could not choose, for example, to still have a dual name if it decided to proceed down this route, even though the two names are very similar. With no disrespect, I do not think we should jump the gun and assume that will be the outcome. It is

## UNCORRECTED PROOF ISSUE

just a proposal currently being consulted on. We are happy to provide more information for you. We should not suggest that is the only option.

**Ms RATTRAY** - The new name - t, r, a, y, a, p, a, n, a. Trayapana.

**Ms THORP** - Pronounced 'Triabunna'.

**Ms RATTRAY** - There is no 'b'.

**Ms THORP** - It is the Aboriginal spelling, but pronounced the same.

**Mr JOHANNES** - To be clear, at this stage it is only a proposal for consultation. No decision has been made and there are a number of options.

**Mr VALENTINE** - It has not even gone through the Nomenclature Board yet, by the sound of it.

**Mr JOHANNES** - No.

**Ms RATTRAY** - With all due respect, I suggest that something as significant as a place with a postcode, where people live, would need a prior consultation not an afterwards one.

**Mr HODGMAN** - Yes, that is what is happening.

**Mr JOHANNES** - That is what is happening. No decision has been taken.

**Mr DEAN** - Is this a decision by the department, or does there need to be legislation around this?

**Mr HODGMAN** - It is proposed by the board, and it then falls to myself and or minister Rockliff.

**CHAIR** - Proposed by the Nomenclature Board?

**Mr HODGMAN** - Yes. The board undertakes what I expect is a statutory consultation.

**CHAIR** - Where did they get the idea from?

**Mr HODGMAN** - The TAC made these nominations. I think - I will stand corrected as it is not my area of expertise - proposals can be sent to the Nomenclature Board, including changing street names and all sorts of things.

**CHAIR** - Then the board starts the process?

**Mr HODGMAN** - It starts the process. It was gazetted in March this year. Only recently, which may be why not everyone is aware of it.

**CHAIR** - March is not recently. With respect, minister, it is three months.

**Mr HODGMAN** - Well, relatively recently. In any event that is when it happened.

**Mr JOHANNES** - I am just advised, Premier, that this particular one has not been gazetted.

**Mr HODGMAN** - This might be a separate thing altogether.

**Mr JOHANNES** - As the Premier says, statutory process is run by the Nomenclature Board, which then provides advice to the Minister for Primary Industries and Water, Mr Rockliff, which he can choose to accept or not accept.

**Ms RATTRAY** - When is the community consultation going to happen in among all of that?

**Mr JOHANNES** - We will have to take that on notice on behalf of the committee. This is not a process that DPAC runs. It is a statutory process under the authority of the board, but we will find that out for you.

**Mr HODGMAN** - We can probably do that at some stage today and report back as to what has happened in Triabunna.

**CHAIR** - It shocked the member for Apsley.

**Ms RATTRAY** - Well, you would like to think that as the local member you have your finger on the pulse of what is going on. When something like this comes out of left field some of my community might think I am not really up to speed.

**Mr VALENTINE** - The other aspect is that it can have commercial impact as well with companies and all sorts of things.

**Mr DEAN** - Company names, signage.

**Mr VALENTINE** - All sorts of aspects have to be looked at, Premier.

**CHAIR** - Is that what you were asking about, Ms Rattray? You were asking a question on this issue. Is that what you were asking? I thought it was something different.

**Ms RATTRAY** - That took top priority

**Mr HODGMAN** - We will find the policy that was developed by the former government. A process which is underway, it appears there might be something particular concerning Triabunna. We will get advice on that and where it is at, and also outline what is expected by way of consultation.

**Ms RATTRAY** - I would hate, Premier, for the community to say they have not been consulted and do not support that. That is an unproductive, unhealthy process and most in this place may agree.

**Mr DEAN** - Are government monies given to the TAC and affiliates independently audited, so everybody knows what the monies are being used for?

**Ms THORP** - I am not aware that the state government funds TAC.



**Mr JOHANNES** - Can you give us some more information, Mr Dean?

**Mr DEAN** - The question has been asked of me to ask: are government monies provided to the TAC and affiliates?

**CHAIR** - Who funds the Tasmanian Aboriginal Community?

**Ms THORP** - Generally, the federal government.

**Mr HODGMAN** - I am making doubly sure that we do not provide you with incorrect information. My understanding is that it is federally funded exclusively, but we are checking advice on that.

**CHAIR** - I think this Government funds the Aboriginal Land Council.

**Mr JOHANNES** - We fund the Aboriginal Land Council and I suspect there is some funding that goes to the TAC for specific projects or specific outcomes. We can take that on notice and come back to you with the details. It will be spread if it occurs across a number of departments.

**Mr DEAN** - The question is clear.

**Mr HODGMAN** - We understand what you are getting at.

**Mr DEAN** - The question was, are government monies given to the TAC and affiliates, and that covers the land council, independently audited, so everyone knows what the monies are being used for.

And do the TAC and affiliates, and again it covers land council, have budgets presented to justify the monies allocated to them. If so, are those budgets available for scrutiny? If not, why not? If yes, are they publicly available? If not, what is the basis for financial allocations?

**Mr JOHANNES** - We can give you a run down of the funding that is provided to the Aboriginal Land Council of Tasmania and what that funding is provided for, because that is provided through the Office of Aboriginal Affairs. Would that be useful Mr Dean?

**Mr DEAN** - That would be very useful.

**Mr JOHANNES** - There is an annual grant to ALCT to help it with operating costs, coordination, and land management activities associated with land return to the Aboriginal community. Currently, ALCT receives Tasmanian government funding of \$314 000 per annum. The majority of land that has been returned to the Tasmanian Aboriginal community requires the establishment of land management regimes to ensure ongoing sustainability and viability. This funding is for the Council to exercise that responsibility.

You asked the question about whether that is independently audited. It is acquitted every year to the department, consistent with the deed, under which the funding is provided.

**Mr BULLARD** - It is audited because it is a statutory body and they are audited by the Auditor-General's office.

## UNCORRECTED PROOF ISSUE

**Mr DEAN** - Has any part of the grant being used for the Gowan Brae property? If so, how much and for what?

**Mr JOHANNES** - Not that I am aware of but I am happy again to take that on notice.

**Mr DEAN** - On notice, if you would.

**Mr JOHANNES** - And find out whether ALC is using funding for that purpose.

**Mr DEAN** - My next question relates to the licenses that are issued, minister. I notice that in the 2013-14 year, 50 licences were provided to indigenous people for hunting and fishing and other cultural activities. In 2014-18, 91 was the target - how are we going with that target? More importantly, are these licences issued in perpetuity or are they annual licences? Is there a time limit on the licences? If there is no time limit, how many licences are out there at the present time?

**Mr JOHANNES** - My understanding is that permits and licences are not granted in perpetuity. The majority of them are granted annually.

**Mr DEAN** - I am taking these figures from the budget papers.

**Mr JOHANNES** - They are, by and large, granted by the Department of Primary Industries, Parks, Water and Environment, so in terms of getting an update of how we are tracking at this point in time, I would have to ask DPIPWE for their advice on what the latest numbers are.

**Mr DEAN** - This is when it crosses over into different departments. The other thing I wanted to know is, what are those licences for? Do you have a rundown of the number of licences for what areas?

**Mr HODGMAN** - I do. As of 22 April, a total of 98 Aboriginal people and one Aboriginal organisation held permits for hunting, fishing and gathering activities. This included two permits for gathering shellfish for cultural activities; six permits for a cultural fishing unique identifying code to prevent unnecessary seizure of gear by fishery officers; 13 permits for collection of echidna quills; one permit for educational purposes to collect, possess and sell products of protected and partly protected wildlife, including information relating to various species; nine permits for gathering swan eggs; and 68 cultural muttonbirding permits.

**CHAIR** - No fishing ones?

**Mr JOHANNES** - The culture of fishing is basically a complicated bureaucratic way of saying that through that code, certain members of the Aboriginal community are able to gather seafood that you and I might be pinged for if the relevant fishery service rolled up and asked why you are in possession of it.

**Mr DEAN** - That was going to be my next question. Does that cover abalone and crayfish? How many licences were issued in that area?

**Mr JOHANNES** - Six, and I understand they are issued permanently so they are ongoing.

**Mr DEAN** - Is there any limit on that at all? If they are able to collect abalone for cultural reasons, is there any limit on it at all or is it open slather?

**Mr JOHANNES** - I assume there are bag limits, but because DPIPWE administers this, I would have to ask them. I can find it out quickly and get back to you today.

**Mr DEAN** - The other question was, are they able to harvest, in that circumstance, for commercial activity?

**Mr JOHANNES** - I do not believe so, I believe it is only for cultural purposes, but I will clarify that for you.

**Mr DEAN** - My last question is: what evidence, minister, is there to show that land return is having a positive impact on reconciliation? The question has been asked of me by a number of people.

**Mr HODGMAN** - Yes, it is a valid one. For many people, it is not something they support. I have to remind myself, going way back to the last community survey attached to this sort of thing, it is often cited by other advocates, and that is Tasmania Together. Our targets were then as a result of that community consultation, which I doubt has changed much.

**Mr JOHANNES** - My recollection is the target was about 90 000 and we are sitting at about 55 000.

**Mr DEAN** - This is hectares returned? What do you mean, 55 000?

**Mr JOHANNES** - Hectares of land returned.

**Mr DEAN** - My question is not on that. My question is, what positive impact is that having on reconciliation? Where is the evidence to show that it is creating an improved relationship between all people in this state? That is the question.

**Mr JOHANNES** - It is a very good question. I have been in this area here and I have worked in this area in Western Australia, and I am not aware of academic research that has been undertaken into this subject to say that it does or does not promote reconciliation specifically. I am not aware that research has been undertaken.

**Mr DEAN** - Surely, it is a question that needs some research done. We are told that land return is about reconciliation - improving reconciliation. If that is the case, there has to be some way it can be measured. There has to be a measurement for it.

**Mr HODGMAN** - The Tasmania Together thing was not only about hectares. It was about objectives and goals that the Tasmanian community, through an extensive consultation process - albeit not scientific research, but very extensive consultation - set down. There were objectives and goals and that was one of them. The figure that was arrived at - and I am not sure how it was determined - was designed to advance reconciliation by acknowledging the disposition of lands, and to repair policies and practices of former governments that were disenfranchising.

It is true to say some people are opposed to it. It is true to say many, if not the majority of the Aboriginal community, think it is nowhere near enough. Somewhere in between lies the

compromise. I do not think you would ever get conclusive research to show that doing this will get universal support. It does not and will not.

**Mr DEAN** - It is not about universal support. That is never going to happen. But is there evidence to demonstrate that it is having a positive impact? Is any work being done on that in the department - to try to come up with some way of measuring, or at least determining, whether it is having a positive or a negative impact?

**Mr JOHANNES** - It is not something I am aware that we are currently working on but it is certainly something we could look at. We could look at what other jurisdictions might have done in this area, too.

**CHAIR** - Have we finished Aboriginal affairs? It is now 11.00 a.m. I know it is 12.20 p.m. but on our timetable we are up to 11.00 a.m.

### **DIVISION 9**

(Tourism Tasmania)

#### **Output group 1**

##### **Tourism**

##### **1.1 Tourism -**

**CHAIR** - Welcome to the Minister for Tourism, Hospitality and Events. We have a whole new team at the table. Perhaps you would like to introduce your team.

**Mr HODGMAN** - I introduce Mr John Fitzgerald, CEO of Tourism Tasmania. He will do the honours and give everyone their correct titles.

**Mr FITZGERALD** - Yes, with us we have Mark Jones, Director of Operations and Planning; and Guy Taylor, Executive Director of Marketing.

**Mr HODGMAN** - And Jacqui Allen, Deputy Secretary, Department of State Growth, and has responsibility for various areas.

**CHAIR** - Did you want to make an opening statement?

**Mr HODGMAN** - I will and I will try to keep it brief. It is hard not to spend a minute or two reflecting on what has been an extraordinary year for the tourism industry and one which has seen record numbers coming into the state, spending record amounts and fuelling in many ways our economic resurgence. It is certainly a pillar of our economy in what is now becoming increasingly known as the visitor economy which encapsulates not only tourism but hospitality and major events.

We are developing as a government a strategy plan to drive the visitor economy, bringing forward all those important elements. Tourism Tasmania is central to those and our tourism industry more broadly has been growing strongly over the last 12 months or so.

As a government we have realigned the business of our tourism business, to separate Tourism Tasmania from the State Service and establish it as a statutory authority. That has occurred and

there is still work ongoing. There are by-products of that structural change which we are addressing as well to properly allow Tourism Tasmania to invest the additional funding that we are putting into tourism marketing. This is despite a repeated effort by my shadow to claim that we are not putting additional money into tourism, most notably our election commitment of \$4 million per annum additional to Tourism Tasmania's marketing funds. We have increased that in this year's Budget as well, to capitalise on what is a rich vein for the industry. We are receiving national and international accolades, heightened interest in the state, particularly due to extraordinary events such as the visit of the Chinese President, Restaurant Australia's Invite the World to Dinner event, which was held at MONA, and a greater opportunity to tap into some of our domestic markets as well, which are very important to us. We have targeted Behind the Scenery campaigns that have been developed by Tourism Tasmania to stimulate domestic activity.

Alongside the work we are doing in Tourism, events are also an important part of what we offer, a critical drawcard. About \$10 million goes into about 80, sometimes getting closer to 100, major events. They are a very important part of attracting people here but also providing activities for Tasmanians to enjoy - things like football, V8 Supercars, cultural events which are also very well regarded and the flavour of the month, at least for Tasmania, with some of the things we do. We are providing additional funds to drive the development of events into regional Tasmania because they are great stimulators of economic, social and cultural activity. They are great enhancers of who we are and what we do and how we project ourselves to the world. We are also developing a strategy that more robustly looks at how we allocate public funding to these events.

For established events that are ongoing, we are not of a mind to see them disappear unless we are unable to reach agreement, or the demands of the event organisers are such that we simply cannot afford to fund them sustainably. The Baroque Festival is one such example and probably the only one. We are keen to maintain and support existing events as best we can but we will always look at ways to help them become self-sufficient and to make sure there is an equitable spread by way of funding, but also geographically for events so that we can see the MONA effect that we often talk about being replicated, at least to some degree, in other regional parts of Tasmania. Our Regional Events Startup Fund which we have announced in this Budget, is designed to do that and setting expectations early, with reducing funding over a period, designed to let organisers know they will receive public funding for a while but the eventual and ideal outcome is for them to be self sufficient and not reliant on public expenditure.

[12.30 p.m.]

Hospitality industry is a critical part of our visitor economy. We have struck a new partnership with the THA. We have additional funds for the hospitality sector and its peak stakeholder body, the THA. That is delivering outcomes important to the industry, most notably in skills development which is an area in which I have a keen interest but not too much direct responsibility. It comes more under the Department of State Growth and the Education Department. We can talk about it because making sure our labour force is well skilled across the state to deliver high quality experiences is very important.

A large part of our MOU, which we struck with the THA over the last year, was all about this. Supply side issues for the tourism industry, and this is one area where Jacqui and the Department come into play, is to ensure that whilst Tourism Tasmania now focuses on marketing the state and driving demand, we need to look after the supply side of our industry. That is the thousands of operators working around the state who require support. Those that need the sort of

industry development we have mentioned, skills and training for example, to do that job well and better. To employ Tasmanians and to grow their businesses, they are supported by our regional tourism organisations who are supported by the Government, who have received additional funding. They are very useful in supporting supply side, and targeting marketing efforts into regional Tasmania within their distinct patches. We are providing them with additional support.

All of this is wrapped up in our new, soon to be released, Tourism 21 Strategy which is a refresh of an agreement that has long been in place under former governments. As a new Government we wanted to redesign it. It is now much broader. It covers the key stakeholders in all areas of the visitor economy, all departments which are directly related. That includes Parks, and we have very bold plans to explore opportunities in our natural areas for greater access and visitation. The Minister for State Growth will today be announcing some further progress on projects that are progressing through that. It is important we bring our Department of Parks into our Tourism 21 framework. We have already struck an MOU between Tourism Tasmania and that department.

A supply side steering committee has been established within this department. While some are critical of us bringing so many ministers together, it has allowed us to recognise we can better coordinate our activities. I am happy for myself and my ministers to be brought together as often as we can to do that. To better, more strategically and effectively target our efforts and resources to understand there is not a one-stop shop or silo approach to this. We need to bring all partners together and the T21 strategy consultation, across the state, in all regions, including guest appearances from myself and Mr Fitzgerald, has been very useful in informing us on the issues, challenges and opportunities for tourism development and to see this growth continue.

It was a very big year. It was well recognised at the National Tourism Awards, where we cleaned up with 10 out of 29 awards. It shows how well we do tourism. But it reminds us there are plenty of tourism operators around the state who battle. Small business operators need to share in this which is why we have deliberately taken an approach to target opportunities in regional Tasmania to make sure this experience is shared as best it can be across the state.

**CHAIR** - Minister, you are right, we all recognise what a fantastic year it has been. I am sure that is partly due to our fantastic operators and the marketing dollars that have been spent and the skills we have used in doing that. Is there a particular direction for that additional \$3 million over the next three years?

**Mr HODGMAN** - I will let Mr Fitzgerald talk on that.

**Mr FITZGERALD** - Obviously, the Budget has only recently been brought down and we have yet to consult with our board and important stakeholders to determine the direction for that.

**CHAIR** - Were you not expecting that?

**Mr FITZGERALD** - We were certainly very pleased to see it. We are always planning, if we are able to get more funds, what we will be doing with them. We will direct that largely to Australian domestic marketing. The \$4 million funding increase over the last year enabled us to do a range of things. We were able to put about \$1.9 million more into domestic marketing, but we also put about \$1.5 million into international marketing.

**CHAIR** - Mainly where?

**Mr FITZGERALD** - Mainly China. We had to be not only strategic about that investment, we had to be nimble, particularly because of things like the President's visit, and how we could leverage from that. We have increased our investment in the market considerably since President Xi was here. The Premier and I were back in the market recently hosting all the key distribution partners in the China market. It created a lot a gravitas having the Premier with us.

**CHAIR** - That was your recent -

**Mr FITZGERALD** - That was the recent trade mission.

**Ms RATTRAY** - That is \$3.4 million - so where is the \$600 000?

**Mr FITZGERALD** - We spent \$600 000 on Restaurant Australia. We were also able to do some other things with access partners - with the airlines, et cetera. In fact, we spent more than \$4 million additional. We made savings in our business. We were able to invest probably more than \$4.5 million extra at the end of the day.

We had some structured programs in the domestic and international areas, and opportunity ones like the Chinese President's visit and Restaurant Australia. It is probably the wrong thing to say, but we could not have paid for the coverage we got there.

**CHAIR** - Have you some kind of guesstimate as to what that was worth to you?

**Mr FITZGERALD** - We can probably take you through some of that today.

**Mr VALENTINE** - You needed to have a connection with the person dealing with the weather, that is all.

**Mr FITZGERALD** - Yes, that is right. That was all part of Tasmania, and the way we do things down here. The weather did not really impact. Everyone was exhilarated by what was happening.

**Mr VALENTINE** - It was different wasn't it?

**CHAIR** - Were you there?

**Mr VALENTINE** - No. I saw it from afar.

**Mr FITZGERALD** - The additional funds will certainly be put into the domestic market. We balanced it with international spending last year. We will not be spending that big amount on Restaurant Australia again. We have that funding to keep, if you like, in our international area.

One of the things we have to achieve, if we are to reach our targets, is more access into Tasmania. I do not need to tell anyone in this room - as an island state, access is our life blood and we are working very closely with the carriers and the Spirit of Tasmania to make sure we can maximise access to the state.

If we are able to convince the carriers - and we are having very good discussions with them currently about supporting even more capacity into Tasmania - then we are going to have to support that with marketing.

Some of the extra money will go towards supporting any new access that comes on line, and will be spent in the domestic market. We have also done more work on our brand - we have dug even deeper into our brand evolution. A few years ago, as you probably recall, we did a lot of work with our brand and that has really driven a new, braver creative approach in the market.

We are doing other work where we think we can talk to a more clearly defined audience in a slightly dialled up way. Be even braver with that audience. I like to think we will invest some of the new moneys ratcheting up our approach with a certain segment of the market.

**Mr HODGMAN** - On the Restaurant Australia campaign - I am not sure who asked the question about the tangible outcomes. I have been keen to understand and quantify the benefit of that event, and the President's visit. The very clear advice I have is that it is unquantifiable. It is impossible to put a dollar figure on it, other than to point to some key indicators.

In addition to the 86 key personalities who attended and their extensive networks, which are extraordinary in themselves, our event was the culmination of the national campaign itself. It was more than the cherry on top; it was very much the gala event of the national campaign. We had to bid for, and it was very competitive process to win, the right to host the event. I heard more than once that there was genuine disbelief that Tasmania could have possibly won such a thing. I suggest anyone who was involved in it, or at least has seen how the event panned out, would understand that not only did we do it exceptionally well, but, given the current state of Tasmania as a destination and our international renown, it was quite appropriate for us to host it.

Some 1 500 media articles have written about the campaign, with broadcast clips, to date. An estimated advertising value - this is for the Restaurant Australia campaign - of \$AUD44 million with an estimated audience of 1.26 billion. Combined reach through social channels of the 86 influences I mentioned, was 106 million, with 7.2 million impressions across Tourism Tasmania's social media channels.

That gives you some concept of how much of this campaign had Tasmania as the focal point. A lot of the advertising campaign material literally featured quite extensively Tasmanian producers and destinations. It was an extraordinary event.

**Mr FITZGERALD** - For an Australian event, Premier, certainly a lot of the other states have been giving us flak about how much of that agenda we were able to secure for Tasmania. So the event itself was obviously broadly covered, but as a result we managed to create a real impression in the whole Restaurant Australia campaign. The Chinese President's visit, of course, was -

**Mr HODGMAN** - The event in Shanghai - which I would not say we hijacked - certainly put Tasmania front and centre. I was able to speak at a luncheon that had a strong Tasmanian flavour throughout. That event was in our biggest market, in Shanghai.

**CHAIR** - The Lord Mayor made quite an impression too, did she not?

**Mr HODGMAN** - Yes.



**Mr FITZGERALD** - Not at that lunch. No, it was not that lunch.

**CHAIR** - Not at that lunch. Did she go on that trip, though?

**Mr FITZGERALD** - She was on the mission yes, but she was not at that event.

**Mr HODGMAN** - And Launceston council representatives were on that mission as well, although I do not think they were at that.

**Mr FITZGERALD** - No.

**Mr HODGMAN** - It was a great chance for us to be a little cheeky, as we have been, in pushing Tasmania front and centre at that event as we have done in advertising campaigns. The connection we now have with the Chinese President is clearly appreciated right through the Chinese community. Their tourism industry is bubbling with delight at the opportunities it presents for them to send people to our state. Our educators - from UTAS and various schools - are renewing and enhancing relationships, giving us the opportunity to reciprocate by getting people to travel to China. Following President Xi's visit, a lot of Chinese want to experience the same things he and Madame Peng did as well.

We are just grabbing every opportunity. We have to invest public funds into this, but you can see just from that event, the return is literally unquantifiable. It makes the \$657 000 we spent on Restaurant Australia low in insignificance.

**Mr DEAN** - And the lower dollar must be helping.

**CHAIR** - One of the things I was going to mention, which Mr Dean by interjection - and it is absolutely right - is the Australian dollar makes a difference. I want to say that we need to be a little bit careful, do we not? Even two years ago, the Australian dollar was at \$US1.06 or \$US1.07; it is now in the \$0.70s. So it is fortunate for us that Australians are tending to holiday at home. Two or three years ago, they were saying 'Well, this is an opportunity to go overseas'. That has to have some effect as well. Hopefully that will continue.

[12.45 p.m.]

**Mr FITZGERALD** - The outbound travel out of Australia is still growing but it is growing at a slower rate.

**CHAIR** - It also means it is economically easier for international visitors to come to us. We were seen as quite expensive but at the moment we are much more reasonable because of the Australian dollar.

**Mr FITZGERALD** - That is right. As you point out, the Australian market will also look to holiday domestically and even though the projected growth is relatively not huge in Australia, Tasmania has been pinching the market share of that growth so we have to continue to do that.

**CHAIR** - It has to be taken into account in terms of your 2020 plan that you cannot always rely on it. There are fluctuations in the Australian dollar.

**Mr FITZGERALD** - Very much.

**Mr HODGMAN** - That is why we are striking while the iron is hot and the additional money is going to Tourism. It is a good investment.

**CHAIR** - You have said that hospitality training is very important. Drysdale is probably part of that too, as well as the Tasmanian Hotel Association and it may well come under Education. Are we able to supply the quality as well as the quantity of well-trained hospitality workers? Many of our hospitality workers are seasonal workers rather than all-year-rounders because we do have as much work in the winter and in the shoulder season; we still have in three or four summer months absolute capacity.

**Mr HODGMAN** - We clearly have a crossover between ministers and portfolios, as I indicated. The memorandum of understanding we struck with the THA goes to addressing some of these issues at a strategic level and understanding, through audit and analysis of current labour force capabilities, where there are weak spots. Delivery of training through Drysdale and other institutions comes via the Department of State Growth and that is Mr Groom's area.

**CHAIR** - What about opportunities in regional areas?

**Mr HODGMAN** - Jacqui can talk to this a little more because she covers both bases.

**Ms ALLEN** - One of things we have been able to do through the new structure of the Department of State Growth, which has brought Skills Tasmania into the department, is to enhance the linkages between industry, predominantly through the THA and Skills Tasmania. There is an increased formal role and responsibility for THA now in terms of providing advice to Skills Tasmania about training needs. We are trying to connect the dots a little more closely. Drysdale sits in the TAFE world. The work we have been doing about workforce development is to bring the training system and industry closer together so that we can make sure that the graduates coming out of the training system are better reflecting the requirements of industry.

**CHAIR** - Does that include cultural training, for instance if we are trying to develop particularly the Chinese market? I see, often online, that there are short courses offered by Tourism Tasmania about becoming 'China-ready'. This is probably more available to people in Hobart and Launceston. What about regional areas? Our tourists, we hope, are not just visiting Hobart and Launceston.

**Mr HODGMAN** - We have supported publications to assist operators in more remote areas especially. The Tourism Industry Council's conference just concluded very much had a focus on customer service and covered a whole range of ways you can better engage those in more regional and remote areas, including through better engagement with technology. There are still ongoing programs on that front.

**CHAIR** - You are not just sending leaflets out to people.

**Mr FITZGERALD** - Just to add value to that, the Chinese president's visit is a classic example where 400 operators did China retraining in the lead-up to that occurring. The other network we have is the regional tourism organisations, working with State Growth and the Tourism Industry Council. We have the system to be able to deliver that.

**CHAIR** - I hope what you are saying is that people in towns all across regional Tasmania have access to this and are being encouraged to take advantage of it.

**Ms ALLEN** - The agreement we have been working on with the THA about the election commitment also involves a piece of work about development of customer service training programs. THA is working with Skills Tasmania on developing a broad suite of programs about customer service in general, but also customer service for particular market segments. We have also worked with the THA to produce a guide to providing service in a China-ready way. That guide was supported by Government. There is a range of activities from publications and online resources but also to develop on-the-ground training.

**CHAIR** - Is on-the-ground training going out or being done only in the major centres?

**Ms ALLEN** - It is contracted through Skills Tasmania through a variety of delivery methods. The specific customer service program I am talking about is a work in progress between THA and Skills Tasmania, to develop a specific area of work about customer service which has not been done quite that way before.

**Mr FITZGERALD** - Part of the reason the Premier's Government has contributed more money to the regional tourism organisations is to enable them to have that industry development capability. That is about them identifying in their regions those capacity and industry development needs. How they can be the champions for that. Working with State Growth and Skills Tasmania to match the need to the program.

**CHAIR** - There needs to be a link. It is all very well to have the packages, and for regional tourism associations to know that but there needs to be face-to-face or on-the-ground delivery in regional areas.

**Ms RATTRAY** - Absolutely, it resonates well with me.

**CHAIR** - May I talk about the international air link?

**Mr FINCH** - I have a question about hospitality and training. You do not have to think back very far to remember when Drysdale was at the absolutely cutting edge of training and development of people in the hospitality industry. We seem to have lost that edge. I would like to be apprised of where we sit now with Drysdale - their allocation and how they fit into the scheme of things. Something that was of concern to me some time ago was Franklin Training. I think it is a mainland based organisation that handles training in the hospitality industry, and was superseding, taking over, from Drysdale in the training of our young people. I thought it was rather strange how far we had slid off the radar in respect to being at the cutting edge of hospitality training. Here we are now with an organisation from the mainland being able to come in and taking over where Drysdale used to occupy that area. May I be apprised of that situation?

**Mr HODGMAN** - Certainly, as far as I can and, again, it is an area that principally falls under other ministers. As the minister for Hospitality, through the Tasmanian Hospitality Association, some of the targeted things we are doing is pulling together a more industry focused and responsive approach to the issues facing the industry and its labour force. How they are trained at Drysdale comes under a different minister. If either Mr Rutherford or Ms Allen are able to provide some context for you, they can do so now.

**CHAIR** - We invite Mr Bob Rutherford to the table.

**Mr RUTHERFORD** - Thank you. The market for training has moved considerably. We have a more competitive market for training. TAFE's role has, as a consequence of that, moved a little. It puts pressures to get new offerings. One of the difficult things in this area is the rate of innovation in hospitality. The reach of organisations in the regions can be better if it is competitively provided. All of us remember the glory days of Drysdale. That is still a valuable part of the offerings. What we have now is a broader portfolio of offerings aimed particularly at listening to the different needs around Tasmania. It is a question best addressed in regard to how the skills agenda is being developed. We have a broader portfolio of offerings now and a more dynamic response to the way needs are emerging for training in this area. In a sense, it has built on that past success. It gave us a platform to move to a broader range of offerings to meet the modern market.

**Mr FINCH** - It concerns me it is not Tasmanian companies at the cutting edge of this hospitality training, and that we could not capitalise on that foundation work and the advantage we had.

**Mr RUTHERFORD** - I know there are Tasmanian companies active in the field. We have people who come in offering something different from the other jurisdictions. We still have a 'buy local' approach. It would be in that normal competitive process that that would emerge. We have to allow a frisson of competition coming in. It has the effect of spurring our local providers on. I would not see anything particularly worrying in that. Often you see that as a catalyst to changing our own provision.

**Mr HODGMAN** - I am not entirely familiar with where things were at. I think it was the THA under a former government that had that relationship with Franklin's. I know they were closely connected to TAFE's work, other training providers. I can find more information. They are no longer.

**CHAIR** - Unfortunately, Drysdale House was destroyed, as we know, by the education changes that suddenly took away TAFE and went to polytechnics and academies. It is very hard to get that reputation back.

**Ms RATTRAY** - They have never been re-established.

**Mr HODGMAN** - Trying to canvass where they might be new opportunities into the future, including through the University which is also interested to see what role they can play, given we have such an iconic tourism and hospitality industry in Tasmania but do not have a centre of excellence. That may be something better provided through the private sector, I do not know. We are canvassing those options now, as a Government.

**Ms RATTRAY** - A series of MasterChef, Chair, in the state, might do the trick.

**Mr VALENTINE** - It added value when it was at full steam. There is no question about that.

**CHAIR** - Drysdale was iconic.

## UNCORRECTED PROOF ISSUE

**Mr FINCH** - Our branding and our image. It was a high benchmark we had set in hospitality.

**Ms RATTRAY** - And accessible for outlying areas.

**CHAIR** - Can we go to air link, please? In your 2020 Plan, you have domestic air capacity increased. Mr Fitzgerald has already mentioned that. How do you plan to do that? Through marketing, as you say? Also international air links - how are we going with the redevelopment of the airport? When will that be completed? How are negotiations going with international companies?

**Mr HODGMAN** - I am sure members would have seen with great interest the plans for redevelopment at Hobart International Airport which comes off the back of the federal government's commitment to extend the runway which is proceeding without any undue delay.

That will be an important part of getting the infrastructure right to accommodate greater access domestically but also, most notably, from international carriers, a number of whom are very much in our sites. That was part of the discussions I had during the recent trade mission, as Mr Fitzgerald does whenever he is in that area of the world where our prospects best lie, as does our air access team who have very frequent engagement with major carriers. We are progressing opportunities on a number of fronts, which include the possibility of direct flights, charter flights potentially, triangulated services through other mainland centres. Not to forget or ignore the other important group that will use improved facilities at Hobart, and that is the Antarctic sector. Those who export freight from our state to the rest of the world are also key partners.

[1.00 p.m.]

There is a lot being done in that area. It is a very difficult and challenging environment. I will let Mr Fitzgerald speak a little more to that, but we are applying adequate resources and personnel to the task. Getting infrastructure right is an important part of that. A lot of things of interest are happening domestically as well.

**CHAIR** - It would be nice to have some detail. Can you tell us who the carriers are? What destinations might fly direct to us, and when the Hobart runway redevelopment will be completed?

**Mr FITZGERALD** - The runway is scheduled for 2017 completion.

**CHAIR** - End of or beginning?

**Mr FITZGERALD** - It will be closer to the end of 2017.

**CHAIR** - So the tourist season in 2017-18?

**Mr FITZGERALD** - Probably. In relation to the other questions you ask, it is very difficult for us to share the detail. As you understand, planes are mobile assets and the carriers will put them where they feel it is most competitive. Yes, we have a number of business cases we are working through with a number of carriers at present, but to declare them would -

**CHAIR** - It would be nice to know what countries you are talking about. Are you talking about Singapore, or China?

**Mr FITZGERALD** - It is in the Asia Pacific rim as you might imagine, and if you look where our major customers come from, you can put that together. But certainly the major parts of Asia and even in the Pacific. To declare who we are talking to would lose our competitiveness in that process. It is frustrating. I understand that. We have to hold a lot of this stuff close and that, unfortunately, is the nature of the beast. As the Premier said, there is a body of work going on. There are a few key targets.

There are challenges. Our number one objective is great connectivity through Australia's major ports because that is where international carriers are already coming. Can they see Tasmania in the system when they go to purchase an Australian destination? Are the co-chairs in place between the Australian and Chinese carriers to enable them to say, 'Yes, I want to go through to Hobart'. So that is our number one priority.

**CHAIR** - Will we be an immigration point?

**Mr FITZGERALD** - We will have to have customs and immigration if we want to clear people here, yes.

**Mr HODGMAN** - The federal government is trialling a new system of remote immigration in ports.

**CHAIR** - That is one of the issues for us. When you go overseas and come back, the first port you land in you have to get your luggage out, go through customs, and rebook your luggage on the flight to Tasmania. All of that puts up barriers.

**Ms RATTRAY** - Sit around and wait for seven hours for a plane back into Tasmania.

**Mr HODGMAN** - John's point is very important and we are working hard on that group. It would be wonderful - a bonus - to get direct flights and consider charters. One of the bigger challenges and opportunities we have is getting Tasmania tacked onto the end of an already large, established base of tourists who come into our country but can't make that final trip down here because it is not in their line of sight, or it is not part of the network.

**CHAIR** - There is no point in having a longer runway if we are not going to get international flights.

**Mr FITZGERALD** - We are working on that. But we will need a full length runway to land a wide-bodied aircraft in Tasmania and fly it back to an Asian destination. We have time to work on those solutions. We do not need masses of capacity but if we get a limited number of international services it will give us better connectivity, both as a community and as a tourism market.

We have a group of people working on this. To give you some comfort, we have an access working group chaired by the secretary of the Department of State Growth, Kim Evans. I sit on that access working group. Both the CEOs of the two major airports in Tasmania are involved, as well as the CEO of the Spirit of Tasmania, the commercial director of Tasports, and our director of access and aviation.

It is difficult for us to be public about it but to give you the assurance that there is a fairly skilled group of people that are driving this state for the Government.

**CHAIR** - Are you looking at air freight solutions as well as passengers?

**Mr FITZGERALD** - Air freight is a key component. In fact, passengers alone will never create a strong enough business case to fly an aircraft a long distance. The freight is a fabulous opportunity. We are working with the producers and the freight companies - if we can get fresh Tasmanian produce into the belly of an aircraft going wherever, that is a high value proposition. It makes the passenger stuff work.

**Mr FINCH** - In the report that the Legislative Council did a few years ago, which was referred to by the Government, one of our recommendations was to bring Tourism Tasmania into a statutory authority situation.

Another situation was to have a standalone minister for tourism and whilst we do not have that, we are very pleased to have the Premier, as John Key, the New Zealand Prime Minister, was the Minister for Tourism in New Zealand. I want to refer to the report and our link to New Zealand as the current Attorney-General accompanied us on that trip to New Zealand.

We saw a big opportunity for an air link between New Zealand cities, not necessarily a single location, and Hobart, with the development of that international airport. We had a sense that people coming from New Zealand to Melbourne have a choice: do they go south or do they go north? They are going to go north because the Gold Coast awaits and Sydney awaits. If we were to bring them into Hobart, then their choice is that they can come to Hobart. We have our first dips at them and then they can go north.

I am wondering whether that might be revisited. The idea might be promulgated to see whether there is an opportunity. Air New Zealand representatives whom we had as witnesses were very keen to give the idea some consideration.

**CHAIR** - We are prepared to name destinations, even if you aren't.

**Mr FITZGERALD** - Wise counsel. Exactly. My remarks in relation to the Asia-Pacific probably cover the sentiment you are expressing.

**Mr HODGMAN** - I take the opportunity every time I get it, to push a case for more routes in and out of Tasmania, to various destinations, direct flights. It is part of my ongoing advocacy with our domestic air carriers.

That report you referred to was a wonderful guide to us in formulating policy on a number of fronts, including assisting Tourism Tasmania to operate as a statutory authority. That has now happened. There are a number of other good outcomes from that report.

I am the only premier who is the Tourism minister as well.

**Mr VALENTINE** - How lucky are you. Good on you.

**Mr HODGMAN** - It is a good opportunity for the state to get front and centre at a national level too, which we do and it is noted.

**Mr VALENTINE** - It is also the opportunity - we think of New Zealand to Tasmania. That is only one destination, drawing on one catchment from New Zealand. There are plenty of international tourists going to New Zealand who may indeed see us as a round trip. There are opportunities to capitalise on.

**Mr FINCH** - The other opportunity was for New Zealanders who would feel safe coming to Tasmania because it is a bit like a home away from home - same topography, same friendly people, same people engaged in the tourism industry. They would feel as comfortable. It would be a hand in a glove for New Zealanders to come to Tasmania for a holiday.

**Mr FITZGERALD** - To take Mr Valentine's point, that is a critical part of the whole business case: we want people who are coming to Australia to include Tasmania, but there is not going to be that many who only come to Tasmania.

We have to have that triangulation. It is part of the business case that we have to work out when we are talking to the carriers: how many people will come directly to Tasmania? But then, how many of those will exit via another Australian port and similarly, how many will enter through, say, Sydney, knowing they can exit out of Tasmania and include Tasmania on their itinerary? That is part of the complexity.

**Mr VALENTINE** - If they are coming from New Zealand, they are touching Tasmania. They can go north to Melbourne, north to Sydney, even north to Brisbane. They can go to Adelaide and to Western Australia as well. Tasmania if you like is at the bottom of that fulcrum.

**Mr DEAN** - We had a direct route at one stage.

**Mr FINCH** - And it was 80 per cent capacity.

**Mr DEAN** - It did not survive, for whatever reason.

**Mr FINCH** - Lack of marketing and interest waned by people who should have been driving that situation. We let it lapse.

**Mr FITZGERALD** - Fifteen years ago, the carriers were more inclined to look at their whole network and if their whole network was profitable, they were willing to tolerate legs that were not profitable. Now the game has changed. They will not tolerate, certainly in the medium to long term, routes that are not performing. They move the asset somewhere else. They have got more commercially ruthless, to be honest.

**CHAIR** - If we have finished on the airlines, I had better call a halt as it is 1.10 p.m. and we need to have some lunch. Interesting as this is, and I know members have many more questions on the whole Tourism portfolio. Let us stop at this point until 2.00 p.m.

**The committee suspended from 1.11 p.m. to 2.03 p.m.**

**CHAIR** - Welcome back, everyone. We are still in the middle of tourism. We had just finished talking about the airport and the air link. I want to ask the minister about tourist



accommodation in particular. We have a number development projects of extra beds, particularly in the Hobart central business district and also a little outside the CBD. Mona is planning a big hotel. I think one is also planned on the eastern shore at Bellerive. Are we going to overheat this?

**Mr HODGMAN** - No; on the contrary, we need more. Tourism Tasmania has revealed a significant shortage. If we maintain the growth we are experiencing now and reach our target of 1.5 million visitors a year, we will be 2 000 rooms short on the current configuration. A better case scenario, given what is in the pipeline, is that we are still in the vicinity of 1 200 to 1 600 short. There is an extreme bed shortage in Hobart. Other parts of the state also suffer during peak periods.

**CHAIR** - Peak periods, but you cannot survive just on peak periods.

**Mr HODGMAN** - No, but it is principally a Hobart issue. We have had extraordinary occupancy rates over the last summer and they are still strong. That is why we have been aggressively pursuing opportunities as part of the Asia trade mission work. It is front of mind for the Coordinator-General. There is now demand being driven that is generating a lot of this activity.

**CHAIR** - It seemed to me, there was suddenly a lot of projects for accommodation, and that is a good thing if we can keep the numbers up.

**Mr HODGMAN** - It is a demonstration of confidence in the economy and the industry.

**CHAIR** - I wanted to ask about Airbnb but you want to talk about hotels.

**Mr VALENTINE** - About bed numbers, I am wondering whether that shortage is tending to spread across the year as opposed to in the main tourism season. Given the likes of Dark MOFO and those sorts of things, whether there is any indication as to what it is like in the winter?

**Mr FITZGERALD** - It is definitely spreading, the shoulders are definitely spreading. We now have up to six months of the year where it is quite strong. The accommodation study we collaborated with State Growth on last year showed that if these numbers keep going the way they are, those shoulders will keep growing to the point where we would be full all year round. There is nowhere else to go. For every increase in demand we have, it tends to broaden out those shoulders further. The whole strategy about winter events program is to try to even out some of those shoulders. The projectory we are on, we would be turning people away, which we do not want to do. Over time, even those quieter parts of the years will start to fill up in regard to occupancy. I do not want to sugar coat it too much, there still can be some challenges in the depths of the winter months, but I think the events program is really helping.

**CHAIR** - The conference program also helps to even that out.

**Mr FITZGERALD** - Because it is between February and November, so that is perfect and we want to grow that business events market.

**Mr VALENTINE** - The Australian dollar could make that a bit fickle sometimes, could it not, in regard to attention?

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**Mr FITZGERALD** - Business is all about business confidence. We are growing it and the forward bookings for business events for next year are really strong. I am on the Business Events Tasmania board and this year we had about 1 400 people at business events in the month of September. This year we are going to have up to 5 000 delegates.

**Mr VALENTINE** - Is that across the state?

**Mr FITZGERALD** - Yes across the state, but a pretty heavy Hobart focus, Hobart and Launceston predominantly but that is a big increase. We only need to win one or two big events and we fill the hotel beds quickly.

**Mr VALENTINE** - Which we need big venues for.

**CHAIR** - I wanted to ask you about Airbnb, because I have seen the THA commenting on the fact that it is totally unregulated. Where does that sit in the market and is that a concern for tourism? Is it a concern for you, in terms of health and safety?

**Mr HODGMAN** - It certainly is in the market and in the context of the discussion we have had, I would not say it is necessarily a great thing. I think, 1 000 beds available through Airbnb in the state.

**CHAIR** - Really, so you know how many there are.

**Mr HODGMAN** - Yes.

**CHAIR** - Someone is keeping an eye on that are they?

**Mr DEAN** - How many are available?

**Mr HODGMAN** - One thousand.

**CHAIR** - That is quite a lot.

**Mr HODGMAN** - Some of which are accredited or licensed.

**CHAIR** - That is right because you can be an Airbnb as well as have a licence. That is what the THA was saying - that is not such a concern.

**Mr FITZGERALD** - It might encourage people to take on those licences.

**CHAIR** - Yes.

**Mr FITZGERALD** - This is a global phenomenon, the sharing economy is a global issue. It is not peculiar to Tasmania in any way. We are part of it. It is a reasonable number - 1 000 renters.

**Mr HODGMAN** - It has at least relieved some of the demand over a very busy summer. It is an issue led by the Treasurer who is also Minister for Local Government, you would appreciate, to understand our best response on the regulatory side of things.

**CHAIR** - That is what I am talking about. That could again damage our tourism brand if some of that accommodation is not up to scratch.

**Mr HODGMAN** - They, as the local authority and with existing legal frameworks in place, need to be best positioned not to only put in place the best regulatory environment, but also to educate people better. That is, to educate operators in this space to make sure they are well aware of the risks they are undertaking. I am not convinced they all are. It is difficult because it is inevitable and unavoidable, but it can cut across what we are trying to project as a state.

**CHAIR** - Are there regulatory ways to control it?

**Mr HODGMAN** - That is what we are now trying to understand.

**CHAIR** - If you do that here in Tasmania, what about the rest of the world? I have used a B&B in New York, and I am sure it had no regulations -

**Mr HODGMAN** - How much do we want to do? Exactly. We understand what is happening in other jurisdictions. We have pulled together a group of government entities - being led by the Treasurer, because it cuts into his space a lot, licensing and so on - to consult -

**CHAIR** - Uber taxis is another one.

**Mr HODGMAN** - Yes, that is right, and it goes down to sharing meals, the whole box and dice. Your whole experience can be sustained by this.

**CHAIR** - Maybe because there is a space and so the space will be filled; the demand will be filled by the consumer.

**Mr FITZGERALD** - It is being driven by the consumer.

**CHAIR** - Are there other questions about accommodation?

**Mrs ARMITAGE** - I am going back to China. Last year, Premier, you mentioned the THA and the booklet it was putting together to cater for Chinese visitors. The booklet advises hotels and accommodation places about what they should and should not do - for example, they should not mention the number 4 because of superstition and a few other things.

I asked you then whether anyone else could access that book. Not everyone - for example, the B&Bs and other accommodation places - is a member of the THA. We were going to see whether possibly - I think the Chair may have asked this - the booklet could have been put online. What happened with regard to that? I notice the booklet was actually funded by the government.

**Mr HODGMAN** - Six hundred hospitality businesses received them, as did various outlets; students studying tourism and hospitality at TAFE and VET schools and programs, but as to its online availability -

**Mr FITZGERALD** - I do not know that it is online. I know THA did the booklet and then a separate or abridged version of it was distributed more broadly.

**Mrs ARMITAGE** - When you say 'more broadly', how broadly and to whom?

**Mr FITZGERALD** - I think it was available through the four regional tourism organisations in their regions, but I am not absolutely clear on its distribution.

**Ms ALLEN** - I think it was also provided to students, but perhaps we could give you a comprehensive list.

**Mr HODGMAN** - It is provided to students as well. I note the sensible suggestion that it should be online.

**Mrs ARMITAGE** - We mentioned it last year. I was reading last year's Estimates where it asks whether the booklet would be available online. That would be useful, particularly because we are looking to bring in China. The booklet covers a lot of the areas, when I was reading from the THA, that would help people.

**CHAIR** - Again, regional and smaller -

**Mrs ARMITAGE** - Absolutely, smaller B&Bs and different groups that may have Chinese coming in. One other area we were looking at was something like stickers or little things that might be able to go on the windows of establishments.

**Mr HODGMAN** - Certainly, a number of those have been produced to welcome people. There is a lot of hard copy stuff.

**Mrs ARMITAGE** - Is that available online for people to be able to print up or look at? How can people access those?

[2.15 p.m.]

**Mr FITZGERALD** - A practical guide was provided to all students. We would need to clarify whether it is online.

**Mrs ARMITAGE** - When you say they went out - they went out purely to the THA, the stickers?

**Mr FITZGERALD** - My understanding is they went out to 600 businesses. I am not clear whether they were -

**Mr JONES** - It was in the lead up to President Xi's visit in November. It was through the TICT and THA, providing collateral for businesses to encourage them to engage with the broader community and take advantage of the President's visit. Helping them understand what it meant in the longer term for the Tasmanian community.

**Mrs ARMITAGE** - On the tourism website it might be useful to have some of the phrases so people know what they mean. They could print them - something that says 'Welcome' in Chinese. It would be very cost effective, and very useful to B&Bs and other smaller establishments.

**Mr HODGMAN** - I will take that up with the THA.

**Ms ARMITAGE** - I notice that out of the budgeted \$25.89 million in 2015-16, \$18.561 million is for supplies and consumables. I also note the Government on 9 June said a

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\$15.7 million reduction in spending in supplies and consumables across the ministerial offices has been achieved. Is Tourism looking to make some cuts? If so, how much have they cut? Considering other departments have been required to make those cuts.

**Mr FITZGERALD** - We have made savings in the last financial year. We mentioned earlier we have probably made somewhere around \$507 000 in savings on the corporate side of our business. That has enabled us to put that money into the marketplace. They were the figures I was floating earlier, when it was more than \$4 million.

**CHAIR** - It is not a budget saving if you spend it on something else. Most of the other departments had their budget cut.

**Ms ARMITAGE** - You have just moved the deckchairs.

**Mr FITZGERALD** - We have moved them in the right direction in the marketplace, which was the intention of the Government when they gave us more money. We have tried to be prudent and add whatever value we can to that money. I guess we have been very fortunate in that regard.

**Mr JONES** - Tourism also had to make a contribution to the Government's broader administrative savings on a recurrent basis of \$500 000 per annum, which we have achieved as well.

**Mrs ARMITAGE** - Have you looked at any alternate methods of advertising to help cut costs associated with consumables?

**Mr FITZGERALD** - We are always looking at alternative methods. Our remit is much broader than advertising. Advertising in future will become a lesser part of our overall marketing activities. Guy might want to add to that. Advertising is only part of the plan these days.

**Mrs ARMITAGE** - You have tenders in place for printing and filming? How do you work out your prices? Are they put out to tender?

**Mr FITZGERALD** - We go to market. We have a number of significant contractors for both development of our creative assets and for purchasing our media. We have a discrete agency that works on our media strategy. We know our customer. We take advice as to where we put our marketing to enable us to engage that customer.

**Mrs ARMITAGE** - Is it dependent on your customer, as to who you go to?

**Mr FITZGERALD** - We have a major media strategy and buying agency. It is a single contract. We know what our target customer is - we have researched that. They take that information and work with us on their media consumption habits, and where we should be investing.

**Mrs ARMITAGE** - How often do you review that?

**Mr FITZGERALD** - All the time. Consistently.

**Mrs ARMITAGE** - When you say it is a contract - is it a 12-month contract, or a two-year contract?

**Mr FITZGERALD** - I think we had the last contract for five years, did we Mark? Or three, with an option.

**Mrs ARMITAGE** - Five years sounds like a long time.

**Mr FITZGERALD** - Three. We have just made a change in that agency.

**CHAIR** - I hate to ask whether that agency is Tasmanian.

**Mr FITZGERALD** - It is not Tasmanian.

**Mrs ARMITAGE** - That was going to be my next question. Whether we have a requirement of buying locally if we can?

**Mr FITZGERALD** - We, like everyone, look to Tasmanian businesses to support us. We have a range of contracts in place with Tasmanian companies. In some of those big strategic areas, we cannot necessarily buy that particular service in.

**Mr TAYLOR** - We are dealing in a very fragmented media environment.

**Mrs ARMITAGE** - In Tasmania?

**Mr FITZGERALD** - Globally.

**Mr TAYLOR** - Globally, when we are dealing with our audience. Rather than a traditional demographic which most STAs target, a particular age group for example, we deal with a psychographic which goes in a vertical slice. We deal with people from 24 years of age, right up to people of 75 years of age. The sophistication of that segmentation of marketing requires very sophisticated tools to pick the right media to deploy the right message to the right segmentation.

**Mrs ARMITAGE** - You do not think we have the sophistication in this state?

**Mr FITZGERALD** - It is not only the sophistication, it is also having that buying power. We are buying media nationally and internationally. It is a matter of who can do that most effectively for us in both a strategy sense and buying power sense. We have to get the biggest bang for our buck and it is an open process of tendering which Tasmanian firms or national firms can take on.

**Mr FINCH** - John, you mentioned an expression I had not heard before, a 'dialled up' segment for targeting, very closely a segment of the market. What does 'dialled up' mean and also what is the segment that is specific to a campaign you are running?

**Mr FITZGERALD** - I will start this and then I will let Guy take over, because it is his area of expertise. It is not a 'dial up' segment. What I was referring to was that we will dial up, and may be that is not the right expression, but we will take a different communications approach.

Our broad segment that we target in the Australian market is what we call 'life long learners'. These are people who want to be engaged in experiences when they are travelling. As Guy was saying, it is more about a state of mind than how old you are or what stage of life you are at.

In that life long learner group, which is our broad segment, and about 4 million Australians fit into that category. At the top of that pyramid there is a group of people we can talk to in a different way, that we have more of an opportunity - and that is what I meant by 'dial up' communications to them - to harness that particular group of people.

Guy, I am probably doing this with less sophistication and I will hand over to you in a second. We can dial up our communications dial for that segment because they will have more of a propensity to be strong leaders of the market to Tasmania. Is that a reasonable, clumsy, CEO assessment?

**Mr TAYLOR** - It is very accurate. Because of that psychographic slice of our profile, not a demographic slice, so it is not a particular age range, it is a mind set, the particular approaches in the market and the channels we choose, need to be very carefully nuanced for each particular demographic within that psychographic.

Whilst the psychographic is life long learners, people who enjoy learning when they are going on a holiday, the way that people of the 55 to 64-year-old age group relate to messages in that life long learner is different from an 18 to 24-year-old. We have to nuance the message for each particular market.

**Mr VALENTINE** - I have three questions. One is to do with regional tourism. We became aware of this recently when we were visiting some built heritage in the north of the state. That is, how the government can work to knit the regional tourism operations together in collaboration.

A lot of people go to Port Arthur, but there are very few of those who end up going to Woolmers and Brickendon, and so it is thousands and thousands of people we are talking about here.

One might say they fly into Hobart and probably fly out, and they go to Port Arthur, but there needs to be some better collaboration, doesn't there? Can you talk to me about how that might be achieved or it is occurring, if you are already having discussions in that area? I am not just talking about Woolmers and Brickendon. I am talking about the whole concept of seeing Tasmania as a state, rather than people landing here thinking they are going to visit the south of the state - completing the experience. Port Arthur is a convict site, and Woolmers and Brickendon may be the experience that shows how the convicts actually worked in the landscape, rather than being incarcerated.

**Mr HODGMAN** - It is part of the dynamic balance we have to strike in providing additional support and resources to the RTOs, which we are doing, to enable them to better and more effectively represent their constituency and their region. Quite often they will say to us the converse of that argument, that they want to be empowered to promote what is good about their region and do that with autonomy, and I am sure they always have a bigger picture view.

We have been deliberate in not only supporting the arrangement that was formed a few years ago, but by strengthening it, we are increasing their capabilities to do just that. There are some really important things they do in their regions in advocacy marketing. Collaboration between

businesses is another important thing to do to get people thinking on the same sheet, and also integrating their activities around what their local region has to offer - competitive strengths. For example, what we are doing on the east coast with the Great Eastern Drive is a great way of coordinating a more cooperative approach to regional marketing into destination attraction. I will let Mr Fitzgerald speak a little as to where we are at. Not only are we providing additional support, we are refreshing, through that support, the deeds and agreements that exist between Tourism Tasmania and those RTOs that can better encapsulate the sorts of things you are talking about.

**Mr FITZGERALD** - I think you are right on the money here. We know that the consumer sees Tasmania as Tasmania. In our work with the regional tourism organisations, we are trying to better resource them but also making sure that, first and foremost, the work they do - the regional tourism model is about how we assemble ourselves as a sector. It is not about how we market ourselves necessarily and part of our grant deed, which the Premier indicated we are renegotiating with the regions at the moment, is how their marketing contributes to Tasmania. It is about cutting down the inherent self-seeing borders that we as regional people in Tasmania might think are there, because the consumer does not see those at all.

I talk about what you are talking about as our visitor engagement strategy. I think we have a great opportunity, as an island state, to do this better than anyone in Australia, and that is how we engage our visitors at point of entry and how we pass them on in their journeys through Tasmania.

**Mr VALENTINE** - You are talking about Port Arthur being this huge attraction that it is, but it is that capacity to point them to other parts of the history and the experience. As I said, incarceration is one aspect of convict life and once they were given a ticket of leave, they have gone on and they have worked on these farms, and done other things.

**Mr FITZGERALD** - One of the things we talk to the regions about is, we know it is the storytelling of Tasmania that makes the difference. How do they occupy as much of that story as possible? That is what I am encouraging the regions to do. How do you make those experience linkages that you have just had, and I am interested to come back to the committee and hear what you have learnt. I know you have been out touring the state and looking at some of the assets. How do we knit that together better?

[2.30 p.m.]

**Mr TAYLOR** - It is one of our strong beliefs that the reason we are getting 70 per cent return visitation, which is possibly amongst the highest in Australia, is because people view Tasmania as a whole, rather than fragmented into various regions. If you compare us to one of our biggest competitors, Victoria, you would be familiar with their - 'You will love every piece of Victoria'. Once you fracture something in a marketing sense like that and focus consumers' minds specifically on a region it is very hard to unscramble the egg. People are coming to Tasmania, and they are perceiving it as quite a small place so we win in the proximity stakes, but when they come they realise there is so much to do, and they come back.

**Mr VALENTINE** - It is not just about convicts. It is about all sorts of other aspects of this island.

**Mr FITZGERALD** - It is a multi-fold experience.



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**Mr VALENTINE** - We have a lot of heritage, and we are not making the most of it. That is something the committee will come back to at some point. That was one of my main issues.

The other one was the MONA effect. Everyone talks about the MONA effect. Can we quantify that effect in dollars brought into the state? Do we understand it at all?

**Mr FITZGERALD** - We do. Around 25 per cent to 28 per cent of people are motivated to come to Tasmania by MONA. That is not insignificant. It is about a quarter of our visitors. Yes, we have quantified that. If we have it here we are happy to share it with you. I know we have a figure for that - it is whether we have it with us.

**Mr VALENTINE** - Was Restaurant Australia a success because MONA was involved, do you think?

**Mr FITZGERALD** - Partly, because we had to put forward the bid and we chose MONA as our partner. Definitely. MONA was a contributing factor to Tourism Australia saying, 'Yes, we are going with Tasmania'. There is no doubt that. We led with our best. We talk as a group with Tourism Australia and the other states about whether we should try to do that again and the sentiment is that it probably can't be done again. It was so unique and MONA was a big factor in that.

**Mr VALENTINE** - There is also the opposite side - it may not have been everyone's cup of tea, culturally. Are you aware of any cultural groups' feelings about it? I have heard some feedback but I wasn't sure.

**Ms ALLEN** - Currently there is an ARC linkage research project underway between the Government and UTAS to understand the MONA effect.

**Mr VALENTINE** - ARC, the Australian Resource Council?

**Ms ALLEN** - Yes. That is looking at the quantifiable impacts but also the more qualitative impacts and trying to understand the impact MONA has had on the local cultural sector. Wearing a cultural hat, there is a need for our offering to be more than MONA, and there are perhaps opposing point of view about the impact of MONA. It has created an environment for people to do things differently, but there is also a view held by some in the sector that it is occupying too much of the space.

**Mr VALENTINE** - Skewing it?

**Ms ALLEN** - Yes. There is a level of tension. That is part of the cultural policy work the Arts minister was talking about before. To understand and position the cultural sector, inclusive of MONA, in a very positive place for the future. We need to make sure that visitors attracted to Tasmania by MONA can easily access all the state's other cultural offerings, like TMAG, and the work of artists.

**Mr VALENTINE** - Thanks for that. The other thing is QR codes. It is a small thing but a very effective way of being able to spread information about facilities and things. Are we concentrating on that? We may have touched on this before but for the record?

**Mr FITZGERALD** - Some, but I think more can be done.

**Mr VALENTINE** - Is it not a very cheap way of being able to offer it in many languages?

**Mr FITZGERALD** - Absolutely. We spoke at committee about the need for digital interpretation more than anything else. QR codes are a logical way into that digital space.

**Mr VALENTINE** - A bit hard with a road sign as you are speeding past it.

**Mr FITZGERALD** - Yes, but there are logical points where people will stop and gather information. If we can digitally deliver that through QR codes, et cetera, that would be good.

**CHAIR** - Has that become part of our signage supplement to that? Are you thinking about that?

**Mr FITZGERALD** - It will be into the future. For instance, the Hobart City Council is doing its Wayfinding Project at the moment. That will be a QR code - that is a pedestrian wayfinding strategy that will be driven by QR codes. We are seeing it emerge. As we get this kind of linkage in our visitor engagement strategy, including starting through things like the Great Eastern Drive, how we utilise that digital platform will be critical.

**Mr FINCH** - Before the maturing of the 'MONA effect' back in 2011, the government's motivations research - looking at what stimulates visitors to come to Tasmania - demonstrated that wilderness was the key trigger or motivating factor for a tourist to visit Tasmania. Wilderness is a key brand that underpins our tourism industry, and nature-based tourism in Tasmania. That includes in areas not technically considered wilderness. Has the Government done any risk analysis or quantified the impact on tourism, or any other cost-benefit analysis, regarding removing wilderness as a zone and management principle from the management plan of the Tasmanian Wilderness World Heritage Area?

**Mr HODGMAN** - Yes, it is a draft plan, as you would be aware, which is open to consultation, industry and community input. That is ongoing. We have extended the period for which that will occur. We are partway through that process and will undertake full analysis and assessment of what comes back as a result of that. We have a process well underway, subject to ongoing consideration. We look forward to receiving all input, including from the World Heritage Committee which we hope will visit the state in the not-too-distant future to see how well we manage our natural areas as well as support tourism. Hopefully, that will be even more so into the future as we make more areas accessible.

As UNESCO states explicitly in its protocols, tourism actually leads to greater preservation outcomes as people's awareness and appreciation of natural areas is increased through greater access. That is a positive and one of the drivers for us taking this policy position. We are treading very carefully and cautiously. There were some slightly exaggerated claims made about what was proposed in the draft plan by way of terminology and how that was extrapolated to be across the whole draft management plan, which it is not related to particular parcels or tenures of land in the area. We are treading very carefully, obviously with people's concerns and what implications any changes might have.

**Mr FINCH** - On the support of that investigation and initiative to explore what opportunities there might be, that Matt Groom is undertaking -

**Mr HODGMAN** - Certainly looking at that side of the ledger, there are greater advantages. The dual-naming notion as well was another one such way of better marketing, potentially. Particularly in wild areas. The Tarkine, I think, irrefutably has been utilised quite effectively by regional tourism organisations and a number of businesses to leverage off something that has become as familiar and as recognisable as the Daintree or the Great Barrier Reef. It can be a useful drawcard. There is ongoing analysis. We seek information from the industry, and receive it from our agencies too, as to the impact of other activity, whether it be industrial or other policy changes we might contemplate.

**Mr FINCH** - Would you agree or disagree that reintroducing logging and mining into World Heritage areas might pose a risk to our branding strategy or our nature-based tourism industry?

**Mr HODGMAN** - Again, this is a draft plan. In fact we have taken into that draft plan what existed under the former government. I made that point to Mr McKim two days ago when he asked similar questions. In fact the forest deal provides for potential mining and logging specialty timber logging activity in the World Heritage area. The current draft management plan is based on the same template as part of the forest deal. Implicitly, that means yes.

**Mr FINCH** - It is about balance, is it not? We have try to get a balance between development and opportunity in both areas. At this gathering, my concern is about tourism and what it might do to our branding.

**Mr HODGMAN** - That is why the minister is having high-level discussions, including with national agencies and indeed by inviting the United Nations committee to come to the state to understand and see these matters for itself.

Paradoxically - perhaps ironically, you could say - large parts of the World Heritage area recently listed also include areas that have previously been logged. That demonstrates that such areas can still have environmental attributes, notwithstanding former activities. That may never happen again, I hasten to add, and that combination of both is not mutually exclusive. Nor is the UN's appreciation or recognition of the environmental attributes of those areas, given that, in a number of cases, they have been subject to larger-scale logging and have been degraded. They are still very important, very previous.

John might be able to add more as to how we are perceived, but any government would, and we certainly are, keep a close eye on how we are perceived and whether it conflicts negatively or adversely with our brand. It is something I also often raise with Brand Tasmania, not represented in this forum per se, but clearly, pretty close to the action.

**Mr FITZGERALD** - We do brand health research regularly.

**Mr FINCH** - To get a sense if there is any change or threat to the way in which we may be perceived?

**Mr FITZGERALD** - Yes, and we have our tourism information monitor. So that is talking to a section of the Australian public every month and determining its sentiment, its awareness or intention, et cetera, to travel to Tasmania. If there are any blips, we can pick them up through our research.

**Mr DEAN** - I am going down the track Rob mentioned. About six or seven years ago I started raising the issue, of the perceived lack of connection between Tourism Tasmania, Heritage Tasmania and National Trust. There was not a close enough connection between them. It was very clear in a 2008 survey that a greater majority people - tourists coming to this state - were coming for the built heritage experience rather than the wineries and all those other things that seem to get a heck of a lot of promotion.

Do we have that connection now? Is there a close connection, Premier, between the two? Does the board have the right make up? Should there not be someone with a Heritage Tasmania background or experience on that board? There might be now - I do not know - it was perceived that they were being left out. Has a more recent survey been carried out - and I daresay there has been - to show some of the main reasons for people coming to this state and touring around it?

**Mr HODGMAN** - Yes, they are a very important part of what we do and do well. We have made additional election and Budget commitments for some of those areas - Woolmers, for example. You are right; it is very important. Brett Torossi is on the boards of Tourism Tasmania and the Heritage Council. She brings extraordinary expertise and a beautiful connection between not only protecting and preserving the values of our built heritage assets but also utilising them in very effective ways as tourism -

**Mr DEAN** - How long has Brett been on there?

**Mr FITZGERALD** - Just recently she has taken over as Chair apparently. We see that as a very positive connection.

**Mr DEAN** - I do too. I have dealt with Brett Torossi.

**CHAIR** - She was the Chair when she came to our committee.

**Mr FITZGERALD** - She has been Heritage Tasmania for the last six years.

**Mr HODGMAN** - Six years; she has just been appointed to Matthew Groom's Heritage Council as Chair in the last six months or so. So there is that high level, very much an intersection.

**Ms ALLEN** - On the supply side, we have already started conversations with Heritage as well. There have been some proposals put forward by regional tourism organisations on heritage interpretation strategy and we need to have a look at that on a statewide basis. As well as the built heritage, we are also interested in looking at ways to integrate that heritage with assets like TMAG and the stories that are in there - how we can work with industry to create an experience that we can work with Tourism on, in terms of promoting that.

**Mr DEAN** - We have so much to offer in that regard. If you talk to people in tourist centres around Launceston, I would venture to say that 75 per cent of the people are interested in our heritage and streetscapes. My other question was, have the latest surveys demonstrated where and why people are going?

**Mr FITZGERALD** - Heritage still rates right up there; nature and heritage are still the two big pillars of our attributes. We take that seriously. I apologise because on the day of the committee you were ill.

**Mr DEAN** - I was not ill, I might I have been in election mode.

**CHAIR** - You were actually quite ill on that occasion.

**Mr FITZGERALD** - We do not have a dedicated program of activity that is labelled heritage, but we regard it as one of the key pillar of the Tasmanian offering. Mr Taylor might want to add to this. I brought along some recent examples of our latest \$3 million Autumn campaign, which featured heritage quite heavily. Some built heritage was part of it, there were things like the West Coast Wilderness Railway of course, penny-farthing stuff, an old camera - if you looked at some of our images and we did not bring them along today but we are happy to bring them to the committee at any time when we come back and speak to you. We even used the diorama as the instrument to promote our campaign.

The heritage message is something that we try to weave through what we do, rather than have it stand alone as a discrete program of activities. That is the simplest way of describing it. I am interested in your feedback, because there might be better ways where we can knit that together better - perhaps working with the regions, as we have already discussed.

**Mr DEAN** - The latest survey that might have been done in this regard, was that made available to the committee? If it was, I will have it.

**Mr FITZGERALD** - When I say 'latest survey', it is part of our ongoing brand research, so we are happy to provide you some information about our brand research which shows that nature and heritage, and things like food and wine, are building as our experiences grow in that area, dare I use that word.

**Mr TAYLOR** - It is important to understand that when it is assessed in an algorithmic fashion through research, the experience becomes very linear but of course people do not behave in a linear fashion. People behave in a narrative fashion; they interact, they move in and out of things, they want to hear the whole story - the plot and the sub-plot, which means not all the best parts but the worst parts woven into the best parts, so it is this multifold cultural experience that the heritage is expressed through. That diorama John was talking about is essentially a piece of heritage itself, a nineteenth-century theatrical device that is used to contain all the stories. Within that we probably saw the most heritage dolled up that we have had in a campaign.

**Mr DEAN** - Thank you for that.

There has been a lot of discussion about the penalty rate situation in this state. It is alleged to have had an impact on tourism, with restaurants being closed on weekends and Sundays. Is there much evidence to demonstrate that is an issue? Is it not having any impact? Are no complaints made?

**Mr TAYLOR** - That is more anecdotal than anything. We do not necessarily get discrete advice from visitors to that effect. I cannot shed any particular light on that.

**CHAIR** - If you read the *Mercury* letters occasionally you might.

**Mr TAYLOR** - From our visitors?

**Mr DEAN** - Yes, there are a lot in the paper.

**CHAIR** - When it happens, when there is a public holiday for instance.

**Mr DEAN** - So, from your knowledge at this stage, it is not really an issue?

**Mr TAYLOR** - I am not saying it is not, but it is not an area of our particular remit. We want to see a rich diversity of experiences available to our consumer. That is our motivation. It is really more an advocacy issue for the industry - more so than something requiring a direct response from us.

**Mr RUTHERFORD** - Could I make a point about the general economics of that. You made an earlier observation about the effect of the exchange rate. It is no surprise that the penalty rate issue rocketed during a period of high exchange rates. That is when the wedge between willingness to pay and cost opens up. To take a judicious approach to that issue, which is about relativities in payment, you would want to be in a stable exchange rate environment. What we saw with the minerals boom and the dollar was really quite extraordinary. That has driven a lot of the perception and debate about this issue. It is not to say there is not an issue but I do not think anyone could get a handle on the relative magnitude and its impact. Obviously it is a very complex social and economic question. I put that as a caveat.

**CHAIR** - It was not people thinking things were too expensive. It was the fact that restaurants and places like the TMAG were not open. They could not find a meal because it was a public holiday.

**Ms RATTRAY** - Or a coffee.

**Mr RUTHERFORD** - A lot of it goes to scale. In markets that are dense it pays someone to stay open.

**Ms RATTRAY** - Not necessarily.

**Mr RUTHERFORD** - I am going on the research we saw earlier about wedge impacts. I am not saying it is not an issue. To get a metric on it you would want to do it in a time of stable exchange rates, because it is a very exacerbating factor.

**Mr DEAN** - Is it not an area Tourism Tasmania should have an interest in? I would have thought, minister, if you are going to market a long weekend to people in our own state, or to interstate visitors - I have had people say to me from interstate, 'We are not going there because everything is closed on a public holiday'. That is the perception some people are getting because of the press statements that have been made. How well does Tourism Tasmania target that issue - how do you demonstrate that is not the case, that we are open for tourism on public holidays as much as any other day?

**Mr HODGMAN** - We are always trying to project a very positive image of our industry. The wage regime is determined by the federal government and there are various inputs into that process - through various committees, and advocacy by stakeholder groups, the hospitality association being one. It does not really fall to Tourism Tasmania. It is a matter determined by the federal authorities. We need to be doing our best to demonstrate the very positive elements of our industry.

**Ms RATTRAY** - What about through the RTOs? Surely there would be some feedback about business capacity to be open for trading through the RTOs? I receive it when I travel the East Coast, so if nobody else is, I am not sure why I am getting it all.

**Mr HODGMAN** - I do not think anyone is denying the feedback, and that also covers businesses that are sole operator businesses, or very small businesses, that due to the demands on their proprietors, not able to open seven days a week either. That is often in regional parts of the state.

**CHAIR** - The member for Launceston, or one of you from the north, might remember about Pierre's.

**Mrs ARMITAGE** - I think it opened on a Good Friday. He did his figures and even though he was one of the few that was open, and he was totally full, he lost thousands of dollars, not just a minimal amount. It was KPMG, I think, who looked at it.

**Mr FINCH** - In our investigation in the Legislative Council, four or five years ago, there was a lot of evidence to our committee. It is in one of our recommendations that, that be considered by the government and investigated further because of the stultifying effect it was having on the tourism industry and the experience of the tourist.

**Mrs ARMITAGE** - Having said that, there are businesses in Launceston, and ours is one of those, which is open on public holidays. You do not make a lot of money, but it provides a service for tourism. A lot of people do that because the service you provide brings those people back at another time, whereas they might find somewhere else to go. It balances out in the end.

**Mr FITZGERALD** - That was my point. The feedback comes from business, no doubt about that. We are not receiving huge feedback that people are not having a fantastic experience in Tasmania.

**Ms RATTRAY** - I want to talk about getting a tourist around this state and I want to congratulate your Government on the Great Eastern Drive initiative. It is fantastic, but you have left off about 180 kilometres that is going to cause some safety issues. I am wondering what conversations you had as a whole department, with State Growth, to look at that other 180 kilometres north of St Helens?

**Mr HODGMAN** - It is more, and the member for Lyons, Ms White, proposed to me a southern extension to Wielangta. I have had others seriously propose that it should not stop at St Helens or north of there, but it should swing right around across northern Tasmania, down the Midland Highway and loop back up in the south-east, which makes sense on one level. We have to understand the cost implications of this.

**Mrs ARMITAGE** - I have some great suggestions but I cannot seem to get any traction.

**Mr VALENTINE** - Believe me, that road between St Helens and Launceston, through the Sidling, I have just been through there and it needs cat's eyes or line marking all the way.

**Mr HODGMAN** - We have bitten off the chunk we can chew. It is having significant impact on the East Coast, as you say. It was inevitable that we would need to define it at some

point and we have done that. It requires significant cooperative effort in launching it as a new brand and as a new experience, which is happening. We will be launching our broader strategy for that in a matter of weeks, and how local businesses on that stretch can leverage off and capitalise on that.

**Ms RATTRAY** - That is not the worst part of the road, with all due respect.

**Mr HODGMAN** - Perhaps not, but there are already, and Bob can talk to this, identified a number of areas where we require infrastructure upgrades, and safety improvements as well. If it is going to be better promoted and better used, it needs to be safer so a large part of what we can commit as a Government also needs to go into infrastructure upgrades. We are just balancing -

[3.00 p.m.]

**Ms RATTRAY** - If tourists who come to our state do not have a safe and pleasurable experience as they drive around to all these places - if we are looking at getting them from the south to the north, to the east to the west - all our marketing will be to no avail. It is a comment, not a question.

**CHAIR** - If we get them to St Helens, where are they going to go from there? They are not going to go back on the same road.

**Ms RATTRAY** - You hope they would continue on and end up at Woolmers and Brickendon and those other places, which are so important.

**Mr VALENTINE** - Tullah Lakeside Lodge?

**Ms RATTRAY** - That is right.

**Mr FITZGERALD** - The program provides a better experience for people. It does not mean they are going to start and stop. People are touring logically beyond those but it gives them a more interpretative and experiential journey.

**Mr HODGMAN** - We have found that one experience people enjoy is travelling, not only -

**Ms RATTRAY** - Not the member for Hobart.

**Mr HODGMAN** - Motor vehicles, motor cycles, cycling activity. It is a driver as well as an important piece of infrastructure. A driver in terms of visitation. It is a most extraordinary stretch of road.

**Mr VALENTINE** - It is also a road that has a lot of accidents. Tourists have accidents a lot. The safety aspects are really important. I do not know whether it is visitor education or not. It was in the media today.

**Mr HODGMAN** - You get some interesting statistics on who was involved in those accidents.

**CHAIR** - We do not have accidents any more, do we? We have crashes.



**Mr RUTHERFORD** - One of the great advantages of the new agency is that we are pulling this stuff together. We have the issue of the road quality and the budgetary limitations in addressing those things. We have signage issues, and we have regulatory issues around public transport. All those things effect how our tourism brand is projecting to the world. For the first time, we are trying to bring these things together to understand the whole. For instance, and I know from my experience on the regulatory side, we are trying to deal with growing pressure from unregistered tour operators. In particular, we found last season they were targeting Chinese tourists. That hits at how we regulate - it is a different issue to the Uber issue - and police compliance with that. It is extraordinarily difficult, but it is one of the issues we are grappling with because it goes to brand.

The Premier characterised it with the Great Eastern Drive - it is what you can bite off in one go and prove up. That is going to be an exciting development, but it will not be without its challenges. John could talk about the whole issue of how we get the customer experience right, associated with that brand. Simultaneously, through skills, we are trying to look at our relationship with the THA. We are trying to raise how it deals with the customer experience. Much of the interface of people who travel around is going to be with THA members. We are in the early stages of getting an integrated handle on this. It should really drive how the infrastructure and supply side that sits behind this fits with the market development.

**Mr VALENTINE** - It needs a good strategic approach.

**Mr RUTHERFORD** - It does, and that is why we have put the unit together. It has been fascinating sitting here listening to the different perspective from the tourism side. We have tuned to the lifelong learner thing in terms of what we are trying to do on the supply side. It fits with those wonderful things that members have been talking about.

**Mr DEAN** - The Great Ocean Road experience is something you could learn from.

**Mr FITZGERALD** - I know the Great Eastern Drive people have spoken with the Great Ocean Road people to learn from their experience.

**CHAIR** - You said you do not want to piecemeal bits of Tasmania. We do not want to market the Great Eastern Drive.

**Ms RATTRAY** - We want to market the whole - is that the initiative?

**Mr FITZGERALD** - That is okay, but -

**CHAIR** - That is what you told us before lunch.

**Mr FITZGERALD** - We want to market the whole of Tasmania but there are a whole range of experiences people will want to have.

**Ms RATTRAY** - But you have to get to the Great Eastern Drive for a start. If you are coming from the north, you want getting there to be a safe and pleasant experience. It is not that pleasant at the moment. I can absolutely assure you it is not that pleasant.

**Mr FITZGERALD** - Is that from our perspective as local Tasmanians? The east coast is already growing in terms of numbers of holidaymakers having that experience. We have to be

careful. This is why the consumer, the customer, is at the centre of our world. It is not driven by the way we see Tasmania, it is driven by the way the customer sees and experiences Tasmania. I am not saying the challenges you are raising are not real, but this is a great opportunity to add another layer of experience to attract more consumers to Tasmania.

**Mr HODGMAN** - Again it is anecdotal, and a lot of this conversation usually is because it is very hard to scientifically assess all of this. We recognise that someone will probably always miss out or some will not see the benefits in the same way as others. I have been quite genuinely surprised to hear the very positive feedback from those businesses on this stretch who see great opportunity. It will be better crystallised with the delivery of the strategic plan in a matter of weeks. It has been largely driven by the RTO who have adopted it as a bit of a pet project. They are not taking their eye off other areas of opportunity but they are investing a lot in this.

It is a rare opportunity to capitalise and we are seeing a number of businesses already demonstrating initiative to leverage off it. It is not a good problem to have but we have certainly bitten off something that we can chew. We can prove up other areas and better coordinate government activity. We are bringing Tourism and Infrastructure together in a new, effective, collaborative way. Bearing in mind that local governments are important partners in this as well.

I understand it may not cover every base geographically.

**CHAIR** - The member for Apsley is saying, 'After you have finished this do you think maybe you could improve St Helens to Launceston?'.

**Mr HODGMAN** - That was my point and is not by any means a silly concept. It could continue through the south-east down to what is also one of our biggest drawcards, Port Arthur. It will not stop us marketing that at every turn, it is the best tourism attraction in the country. It is part of what we are, it is our heritage. It is a wonderful experience that has been modernised. We have invested, as governments, in improving it. It is all part of a story that these guys have to wrap up into 30 seconds or into a poster or whatever it might be. And people are starting to understand. It is part of the journey of discovery that is Tasmania and it is accessible.

**Mr FITZGERALD** - Journey of discovery, you are right on brand, Premier.

**Mr HODGMAN** - I have been well taught.

**CHAIR** - You are not going to let Triabunna go after what you found out at lunchtime?

**Ms RATTRAY** - No.

**CHAIR** - Is there anything else you wanted to ask about tourism?

**Ms RATTRAY** - No, I will wait for Events.

**Mr DEAN** - I was going to raise the issue of TT-Line and tourism. Many people who are staying for an extended time come on the ferry. How does that fit in with Tourism Tasmania? Where is it going?

**Mr HODGMAN** - I will let John talk about what is another very exciting development between TT-Line and Government, Tourism Tasmania. A couple of things to provide the context,

on coming into Government, very swiftly we changed the business model TT-Line had which was not as well-targeted at its tourism side of the business as it could and should be. We asked TT-Line to revise their model. That has set in train not only a different way of looking at marketing opportunities and the configuration of their experienced capacity, but a \$38 million or thereabouts commitment by my Government to refurbish the *Spirit of Tasmania* ferries to make them a better experience and more attractive. It has definitely changed the mindset for the TT-Line and how it works in with Tourism Tasmania. We are now well on the way to developing an even sharper and more strategic approach and again being more collaborative between TT-Line and Tourism Tasmania.

**Mr FITZGERALD** - Mr Dean, we have agreed, at the Premier's request, to a memorandum of understanding between the two organisations. We are developing an MOU, which is near finalisation and should be spoken about in the coming weeks. That is, we will come together and have an annual collaborative plan between the two organisations of how we are going to maximise access to Tasmania via the *Spirit of Tasmania* ferries.

We have already come together recently as two groups to share some of our consumer research and from there, we are now starting to develop that cooperative plan which obviously will start to take hold, particularly when the first refurbishment comes back in, in about eight weeks from now.

It is exciting that we now have a formal partnership where we have agreed to work on an annual plan together. The *Spirit of Tasmania* saw 4 per cent growth last year and the new business model that the Premier referred to is enabling a growth in the passenger numbers into the future. We need to work hand in glove with *Spirit of Tasmania* to make that happen. We are in a pretty good space with that stuff.

**Mr HODGMAN** - I have neglected to mention that there are more day sailings as well. Fortuitously, the new CEO, Mr Bernard Dwyer, assessed and appointed independent of government but through the appropriate process, given his background, has a very strong understanding of our tourism industry and the role that the ships can play in that. What was, I would suggest, and even by their own admission perhaps, not as focussed on its role in tourism, it certainly now is. I hasten to add that is not at the expense of any of our exporters. There are demand constraints on Bass Strait, not just with the *Spirit of Tasmania* ferries but in the private sector and there are always ongoing challenges with that.

Whatever we are doing with the TT-Line should not be compromising the important role it does play with freight, but we have increased capacity, more sailings, we are going to have better vessels shortly, an MOU with Tourism which is going to better align their marketing effort. They have a sizable budget that they expend on marketing and we are now getting them talking regularly about how they can combine their effort in our public expenditures.

**Mr DEAN** - That is heartening to hear. I have contacts with a number of grey nomads and their senior executive officer in this state has said if there was more of an opportunity, they would play a greater role in tourism into this state. We know they come here and stay here for normally several months at a time. They will have, through this relationship now, perhaps an improved opportunity of coming here. The grey nomads play a huge part in tourism.

**Mr HODGMAN** - I have had meetings with various peak organisations from that sector as well.

**Mr VALENTINE** - In respect to the pricing that the TT-Line has developed over time, do you have any influence on how they do that pricing, or is this something we need to take up during GBE scrutiny committees?

**Mr HODGMAN** - Yes, you would, through Mr Hidding.

**Mr VALENTINE** - There are complaints coming back from particularly one constituent, who logs on at one time and gets a price, then does the sums, comes back and the price has changed. It is that quick, from 7 o'clock one night to 9 o'clock the next morning it has changed. Same time frame. It does not give anyone confidence. It is an issue.

[3.15 p.m.]

**Mr HODGMAN** - I am always interested to hear about individual circumstances that could be pursued with the relevant minister. We are in a very competitive area now, particularly with changes in airline activity which are also prone to last minute changes and their pricing regimes.

**CHAIR** - I am not sure about TT-Line, but airlines have a certain number of seats at that price and if you do not buy it, it will not be there.

**Mr HODGMAN** - Albeit, that people who want to use the *Spirits* have a longer lead-in time.

**Mr VALENTINE** - That is right and that is the issue.

**CHAIR** - I have a last question about cruise ships. How are we looking for next season? Are we saturated yet with cruise ships? Cruise ships are affected by things like the museum closing down on Sunday. If there is a cruise ship in on that day, is there anything we can do when we know there is a particularly large number of people coming on a cruise ship and we have TMAG closed for the day? I understand where TMAG is coming from but are there special occasions when we might say well, normally we would close on Sunday but on this particular Monday or this particular weekend, we won't? Is there coordination?

**Mr FITZGERALD** - There is. Our director of Aviation and Access looks after that coordination from our perspective. We work with key stakeholders including Tasports, the Hobart City Council, the Burnie City Council, the regional tourism organisations, and the cruise lines to coordinate that effort so we have more focus on that than we ever had. We had a record number, 163 000 people, came on cruise ships in this last season. Do we have the projection for the year ahead? I am not sure we have.

**Mr JONES** - I think we are expecting a slight increase in the number of ship for the next season.

**Mr FITZGERALD** - The ships are getting larger too on average.

**CHAIR** - And mostly booked in by now, wouldn't they?

**Mr FITZGERALD** - I do not have that explicit figure. I think we are on track to at least match, if not exceed, what we did in the last season.

**Mr FINCH** - What do we need to do to maintain that flow of cruise ships? Is it incumbent on Tourism Tasmania to negotiate deals with them? Encourage them and massage them?

**Mr FITZGERALD** - To some degree, yes. Although, because cruise ships are multiple destination, it is about how attractive we are in the itineraries they are putting together. Yes, we have to work with them. Tasports has to work with them to make sure it is a seamless and attractive operation of port to come into. No single agency has responsibility. It is a coordinated effort. For instance, we had a national conference where the Premier was the keynote speaker and a couple of weeks ago I met with one of the CEOs of one of the large cruise companies who is coming to Hobart and she wanted to talk to me about the other things we can incorporate into our program. It is a market that is growing. It is resonating with our product offering. Many of the companies seem to be looking to expand.

**Mr HODGMAN** - So numbers are good. About \$19 million to the economy.

**Mrs ARMITAGE** - It is good. The south does not need football if you have \$19 million and growing, from cruise ships.

**Mr HODGMAN** - That is the whole state's economy, not just into that one.

I introduce Mr Adam Sproule, Director of Events Tasmania.

**Mr FINCH** - Page 267, Table 10.11, Events and Hospitality. Again, Premier, we have an explanation for the decrease that is attributable to the cash flow of election commitments. Expenditure is about half over the forward Estimates. Are Events and Hospitality no longer a priority?

**Mr HODGMAN** - The primary reason for that is the Hawthorn Football Club funding is no longer in that.

**Mr SPROULE** - It is where the Hawthorn Football Club that is in the forward Estimates ceases.

**Mr FINCH** - Hawthorn will not be back? Is that what you are saying?

**Mr VALENTINE** - He did not finish the sentence - is no longer.

**CHAIR** - That is where the contract finishes.

**Mr FINCH** - Again, as before, the contract finishes, but a discussion will take place and it will be reviewed and revitalised?

**Mr HODGMAN** - Discussions are underway but not unusual for any government in any budget papers to record things in such a way. It does not, and should not, send the message to anyone that there will not be some other arrangement. I do not want people to read anything into it; it is not related to renegotiating. It is happening as we speak. That explains the drop-off, as you said, in funding of events.

**Mr FINCH** - Premier, we did not have that detail alerting us to that. I am looking at figures here showing me that events and hospitality are no longer a priority. The numbers are going

down over the forward Estimates. That is why I asked my question. It does not read well in the budget papers.

**CHAIR** - The note says that the decrease in expenses is primarily attributable to the cash flow of election commitments - 2014-15 Budget saving strategies, FTE savings announced in October. It does not say anything about the fact this is a contract which is finishing at the end of this year.

**Mr HODGMAN** - We are putting more money into events so we should be crystal clear, and not have people think that we are -

**CHAIR** - It was the comment I made earlier - that these are really not Estimates. These are commitments, almost, you have already made.

**Mr HODGMAN** - Written by Treasury people, not by -

**Mr VALENTINE** - Realists.

**Mr HODGMAN** - It is noted, but the important point is, more money for Events and a new program which I spoke about earlier.

**Mr FINCH** - Premier, also, in one of your statements you said there are no funds left in the Events budget. It means it is all spent.

**Mr HODGMAN** - That was explaining the funding of the Masters Games, that the Events budget could not accommodate that commitment of \$750 000 so we needed to find another funding source. That is where the Department of State Growth stepped in, albeit a major event, we had a window of opportunity we needed to jump through in combination with the federal government and also the local government authorities on the north-west coast to secure tripartite co-contributions. The Events Tasmania budget is very well subscribed, it has additional support broadly, this year, which is good. It is opening up new opportunities for new events. Thankfully and hopefully, in due course there will be the Masters Games coming soon, which will be a massive injection in the north-west economy.

**Ms RATTRAY** - It is not until 2017 though, is it?

**Mr HODGMAN** - It takes a bit of planning but it is a good thing to look forward to, with a lot to do between now and then.

**CHAIR** - As you say, there is \$750 000 for that, which is not here because it is not out of this Budget.

**Mr FINCH** - I am hoping, Premier, that you can assure me that all the funds that go to Events Tasmania are being utilised at this time - it is all committed and running a tight ship. If a new opportunity were to emerge that we did not want miss out on, as with the Masters Games, are you saying there could be a consideration from the Department of State Growth, or from another bucket of money, that might enable us to take up those opportunities?

**Mr HODGMAN** - Yes, there certainly is through the new start-up program that we have announced, with funding attached to it. In this case we have been able to get the Masters Games

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into the Budget so that it is accounted for in the Budget. We have probably been guilty of criticising governments - at least I have, in the past - for not budgeting for things as they arise. Often they come at relatively short notice and that requires governments to bring forward requests for additional funding to pay for those things. Governments are criticised then for not adequately making provisional planning. It is a double-edged sword, but it is budgeted for in our Budget, so the provision is there to secure the games; there may be other things that arise of course. We have made provision for new events, we have made a provision for new business events as well, another subject altogether, for conference activities.

**Mr FINCH** - Do the business events come under the umbrella of Events as well?

**Mr HODGMAN** - No, business events is a different beast, your conference-type activities.

**CHAIR** - So that is not in this money.

**Mr HODGMAN** - No.

**Mr FINCH** - Is that in the Tourism area?

**Mr HODGMAN** - No, in the Department of State Growth.

**Mr RUTHERFORD** - Business events is funded through State Growth but it is a separate body that goes out -

**Mr VALENTINE** - Local government provides some funding as well, does it not?

**Mr RUTHERFORD** - That is correct.

**Mr FINCH** - Also, in this output group, Events and Hospitality are tied in together. Can you explain the rationale behind putting those two, which seem to be quite different entities, in together for this line item?

**CHAIR** - I would be pleased to know what hospitality means; events I understand.

**Mr HODGMAN** - It is the big three.

**Ms ALLEN** - It is an historical allocation, to the best of my knowledge, I am just checking with Finance. Events and hospitality have been considered together. As a result of the creation of the Department of State Growth, we are still looking at the output areas and how we allocate the different outputs. For a number of years, events and hospitality have been grouped together as the same output.

**CHAIR** - So what is hospitality?

**Ms ALLEN** - That is the Government's support for the Tasmanian Hospitality Association.

**Mr HODGMAN** - Yes, \$1.5 million to hospitality programs.

**Mr FINCH** - I have never noticed that before. That is why I asked the question.

**Mr HODGMAN** - It is an election commitment of ours to increase funding to the THA to \$1.5 million over four years.

**Ms ALLEN** - There was a previous funding allocation that was quite low, so you may not have noticed it.

**Mr HODGMAN** - This is a new and significant increase in support for the THA, which comes with conditions attached. I mentioned earlier in the day, and at various stages, our MOU with the THA. We have industry development programs, skills training, and other things that go to our strategic plan, which is worked up through in partnership with the Department of State Growth and me as minister. There was a bit of a gap, you might say, that we have filled in supporting the hospitality industry.

**Mr FINCH** - We have no understanding here of how much is events, how much is hospitality. Do you have a figure for what component is hospitality?

**CHAIR** - Is there more than the THA funding in there?

**Mr HODGMAN** - There is for the whole of government.

**Ms ALLEN** - If you want to look at salary allocation and all those costs, we can break it down and provide it so you can see the distinction between support for events, and support for the hospitality program.

**Mr FINCH** - We might need to have some understanding of that. As I say, it is the first time I have seen that link. We might need to keep an eye on that in the future at Budget Estimates to see how it unfolds. We need to keep tabs on each of these areas, which are quite distinct. I do not see them as one job lot.

**Mr HODGMAN** - It is a bit like the discussion we had earlier about funding for the Office of Aboriginal Affairs. People often assume that is a discrete line item and an exclusive funding appropriation. Hospitality would also come across the Treasurer's desk in licensing areas, for example. Local government would probably intersect, and does, with the hospitality industry, certainly in policy development and regulations.

Skills and training we touched on a lot. Much of what happens at TAFE, in a number of colleges and no doubt schools, goes direct to industry support for the hospitality sector and tourism as well. I certainly understand your point. How much we can break down and how quickly I am not sure, but perhaps next year we can look at trying to separate them as best we can. It is easy to identify the new programs and the support, for example, for the THA that we committed to in the election, but you are asking for a more discrete breakdown of where -

**Mr FINCH** - Yes, of how the funding goes into each area.

**Mr G. DEAN** - Glen Dean, Director of Finance, State Growth. You previously asked why we never had a hospitality output under previous figures.

**Ms RATTRAY** - You jammed it in here.



**Mr G. DEAN** - If you look through the general papers you will see some significant dollar amounts. There is an allocation of the election commitment by the Government for hospitality, so that funding is fairly discrete within that amount - 450 this year or last year, I do not have the numbers with me.

There are some staff, as Ms Allen mentioned, that are supporting this hospitality increase. That total amount - it is all packaged within output 1.2. Whilst it is significant funding, we have not broken it out into the other outputs.

**Mr SPROULE** - It is fair to say that the majority of funding in that output group is for this -

**Mr G. DEAN** - For events, exactly. We thought it practical to merge them together in the one output. We can certainly add notes in future years if need be, rather than create a specific Output for Hospitality.

**Mr FINCH** - That is okay. We need to have an understanding. If we are going to support hospitality growth development in Tasmania, we need to see the figures so we can say, diminution is not good enough. We need to see more. Or if we start to hear that we are not attracting events to Tasmania as we once did. Do we need to recommend to the Premier that there needs to be more of an allocation to Events? We need to be helpful in respect of keeping an eye on those things.

**Mr G. DEAN** - We will look at the notes for future budget papers for sure.

**Mrs ARMITAGE** - It is probably no surprise that I am going to ask you about AFL Tasmania. I may be being a bit cynical. I am concerned that both the contracts come up in 2016, both the negotiations for Hawthorn and for North Melbourne. Does the Government believe that the state can have a contract with both North Melbourne, and for Hawthorn in the future, that will continue to have both teams?

**Mr HODGMAN** - Yes. Our primary focus now, and as per our long standing agreement with the Hawthorn Football Club, is seeing the negotiation of that arrangement.

**Mrs ARMITAGE** - That arrangement will come first before North Melbourne, or will you be using the one amount? I believe it was a reasonable amount for Hawthorn. Are you going to double the amount? Will the state be committing more money? TT Line may not necessarily come on board for North Melbourne again.

**Mr HODGMAN** - Maybe the Hobart City Council will re-visit their commitment, et cetera. They are unknowns.

**Mrs ARMITAGE** - The state's commitment is to Hawthorn?

**Mr HODGMAN** - Certainly. It is our priority. We have discrete funding history, without wanting in any way to compromise our negotiating position

**Mrs ARMITAGE** - I understand that. I am sure the AFL would prefer us to have North Melbourne. That always seems to be the case. If we only had one team, you have to appreciate the City of Launceston does not have MONA, we do not have 163 000 people coming in on cruise

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ships. We do not have a full university - we have a university that is looking at sub-degrees. There is a lot less in the City of Launceston and the last thing we need is to lose four games.

**Mr HODGMAN** - We do not want that to happen. I have, at my peril, stated publicly that my priority now is to -

**Mrs ARMITAGE** - Keep Hawthorn and four games in the north.

**Mr HODGMAN** - Keep the Hawthorn arrangement and not see it diminished and not be consumed with other opportunities that are not immediately apparent or achievable and that includes a single state AFL team. I keep reminding people, and it has been stated publicly by Gillon McLachlan, CEO of the AFL, that we cannot expect to see a single team in this state for around about a decade. It will be at least a decade. Things may change. We will be ready to respond to that. On that basis, we have options available to us that include the continued arrangement with the Hawthorn Football Club. North Melbourne is a separate matter to be determined at a later time. My view is that we need to make sure we keep the bird in the hand.

**Mrs ARMITAGE** - A hypothetical: if the Government cannot negotiate a deal with Hawthorn, Melbourne is still sitting there. Does that mean that Hobart will have North Melbourne and Launceston will be lucky to get one or two games?

**Mr HODGMAN** - It is a very important reminder that negotiations are a two-way street. They are intrinsically connected, the attitudes and aspirations of either party. Hawthorn have stated their preferred position and that is to remain in Tasmania

**Mrs ARMITAGE** - It is their preferred position, but I am sure that money comes into it

**Mr HODGMAN** - I am always reticent to get into hypotheticals because they can be interpreted as reality and they are not. If we offered Hawthorn Football Club five cents to stay and play their games, I reckon they would knock it back.

**Mrs ARMITAGE** - I am concerned because I notice both contracts are coming up in 2016. I thought that seems rather a coincidence that we may only have one team in the state. It seems unlikely we will keep two teams.

**Mr HODGMAN** - No, it is purely coincidence. The arrangement with Hawthorn has been longstanding; we always saw that on the horizon. The arrangement with North Melbourne is less secure in that it is only a recent development. It has quite a different funding stream.

**Mrs ARMITAGE** - It is a difficult ground to get into and out of.

**Mr HODGMAN** - From the TT-Line, Hobart City Council and the Hobart Chamber of Commerce are party to that as well. It is a separate thing and purely coincidental. Hawthorn, based in Launceston, has been an exceptional product for the sport in Tasmania.

**Mrs ARMITAGE** - For the economy of the city in winter.

**Mr HODGMAN** - Extraordinary. Hawthorn is an extremely valued partner for the state and has been for some time. We respect that and value that. We are going through a well-managed negotiation process. It is certainly my hope that we will not in any way diminish the content of

football nor interfere with where it is currently played. Again, I am reticent to entertain hypotheticals, but also to not compromise our negotiating position.

**Mr DEAN** - Obviously negotiations are going along pretty well with both clubs, North Melbourne and Hawthorn. Are you currently in the negotiating stage for the renewal of contracts?

**Mr HODGMAN** - With Hawthorn, but North Melbourne, as I say, is a separate situation. It is an arrangement between TT-Line, Hobart City Council and, I think, the Hobart Chamber of Commerce possibly.

**Mr SPROULE** - It is not anymore.

**Mr HODGMAN** - It is not anymore, but it used to be.

**Mr DEAN** - In relation to Hawthorn, when you expect a position to be known?

**Mr SPROULE** - The contract is up to the end of next year's season. All the games are confirmed through to the end of 2016. We would be hopeful of having this resolved by the end of this season. Potentially before, but, as the Premier indicated, we are right in the middle of those discussions at the moment.

**Mr DEAN** - Do those discussions, Premier, in any way have anything to do with the games that will be played in an area?

**Mr HODGMAN** - The fixtures?

**Mr DEAN** - Yes, the fixtures, the teams.

**Mr HODGMAN** - Yes, Hawthorn, as much as we are able to lobby for better fixturing to try to negotiate better outcomes around not only the participants in those fixtures, but also the timing of them. The AFL determines those matters, ultimately, and balance a set of competing factors, including what every other state and every club is after. I have been assured, and have put repeatedly to both the clubs and the AFL, by the clubs that they do their level best to advocate for better fixturing in Tasmania. We want to see that happen. Not wanting to get too close into how we might negotiate with this, it would not be a negotiating card for us to play in the Hawthorn arrangement. While they can put a case for better fixtures and do that, it is not their call. I could not say to Hawthorn, 'Well, unless you get better games here, we are not going to back you' because that is the way it works.

**Mrs ARMITAGE** - We are just happy to have any games.

**Mr DEAN** - Part of the negotiations involves Hawthorn's commitment around the state, not just to Launceston or to the north of the state? There are activities with schools and other activities?

**Mr HODGMAN** - That is right.

**Mr DEAN** - That is an important part of the whole negotiations?

**Mr HODGMAN** - Yes. I think broadly Hawthorn has been an exceptional corporate citizen and partner for government. There will always be some who are critical and suggest they do things differently, but long-established arrangements have been in place. The good thing about the Hawthorn Football Club is that they always looking for ways to enhance their presence in the state, their impact. I can say the club does that quite altruistically - they are genuinely keen - and right across the state.

[3.45 p.m.]

**Mr DEAN** - It is balanced around the state?

**Mr HODGMAN** - To promote the sport, and their club, and educate kids about healthier lifestyles. They do this through their schools program and their support for other organisations and other sports. They are very proud, for example, of their association with Northern Tasmanian Netball.

**Mrs ARMITAGE** - It is wonderful when they come down, as they did last year, with both cups. They spent time with a group of disabled children.

**CHAIR** - They went round the state and did that.

**Mrs ARMITAGE** - They did. It is good that they come and do that.

**Mr HODGMAN** - We don't always get it right. They have famously not got to some parts of the state and when they are premiers, whether we like it or not, people love to see them and it is disappointment if they can't get to every corner of the state. We do our best to do that. Again, I take quite sincerely their comments that they want to be as a good a part of our community as they are of their own. They are a Melbourne-based football club, they take their responsibilities and obligations to their Tasmanian members and the broader football community very seriously. They have to balance those things because, as you would appreciate, it can cause some stress on their home supporter base when they spend a lot of their time in Tasmania - a lot of their effort.

**Mr VALENTINE** - How many members do they have here now?

**CHAIR** - They have lifted their membership over the years here in Tasmania.

**Mr HODGMAN** - About 7 000 or 8 000, I think. Getting closer to 10 000.

**Mr DEAN** - State membership, Tasmanian membership? The other question on that - the numbers of interstate travellers when both North Melbourne and Hawthorn are playing here - are those numbers keeping up?

**Mr HODGMAN** - Yes.

**CHAIR** - Would it depend a little on who they are playing?

**Mr SPROULE** - Not necessarily. The thing with the Hawthorn and the North Melbourne arrangements is that the Hawthorn arrangement has been in place for 14 years so it has had time to build itself in the market. We typically now see close to 30 per cent of all attendances, whether it is a low attendance game or a high attendance game, being from interstate. The North Melbourne games are not quite at that number. They are at about 20 per cent now but they are

starting to grow. It is important to point out that in the early days of the Hawthorn arrangement they had a similar number.

**Mr VALENTINE** - Tasmanian membership for North Melbourne?

**Mr SPROULE** - Is growing as well. I don't know the exact figure. But I know it is growing. It was under 5 000. It is now over 5 000.

**Mr HODGMAN** - We have been doing a few other clever things to help bring greater numbers from interstate. We have partnership agreements this season with Virgin to have direct flights into the state from Perth and the Gold Coast when their teams are playing, to increase capacity. It is a fluid market and it depends on a range of factors. If we can increase capacity as we are doing with targeted marketing, including via the TT-Line and a new MOU with Tourism Tasmania, it will maintain strong numbers of interstate visitors going to these games.

**Mr SPROULE** - It is a very interesting proposition. If you look at the AFL games in the state strictly as a winter tourism strategy, then there is an argument to be made about the types of teams you want playing here. As we know, West Coast is used to travelling, and we know that when they come here they stay longer. There are some added benefits with that. You have to balance that with the expectations of locals who want to see more traditional Melbourne-based clubs playing here.

Back to the question earlier about how we assess and monitor our relationship with football games: we do look at visitation as an important element of it. It is not the only element. The community element, job creation, business investment and those sorts of things are also factored into it. They are the things we also discuss when we are talking about renewal.

**CHAIR** - It must be interesting to do that.

**Mr SPROULE** - Yes, it is.

**Mrs ARMITAGE** - I have a couple of questions on some amounts of government event funding. Premier, can you advise how much the Government provides annually to fund the Wooden Boat Festival?

**Mr HODGMAN** - It is \$650 000 for what is a biannual event.

**Mrs ARMITAGE** - Does the Hobart Summer Festival receive additional funding to Taste of Tasmania? Is there still a Hobart Summer Festival? Does that include Taste?

**Mr SPROULE** - The Hobart Summer Festival is Taste. The Hobart Summer Festival was an umbrella marketing initiative of the Hobart City Council; it no longer exists. The Taste still does.

**Mrs ARMITAGE** - Can you give me the amount the Government provides for Taste of Tasmania? I am assuming that the Government funds it.

**CHAIR** - It is mostly funded by the Hobart City Council, is it not?

**Mr HODGMAN** - We do not.

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**Mrs ARMITAGE** - You do not fund it any longer?

**Mr SPROULE** - No.

**Mr VALENTINE** - We must put in for it, I guess. I think PW1 might be might be -

**Mrs ARMITAGE** - The government spent \$15 million, did it not, having the sheds prepared for Taste? So I guess you could say \$15 million?

**Mr VALENTINE** - No, I can speak for that.

**Mrs ARMITAGE** - The government had already spent \$15 million upgrading the Taste venue on the waterfront.

**Mr VALENTINE** - No.

**Mrs ARMITAGE** - I am reading from last year.

**Mr VALENTINE** - No, it is not for me to defend. It was a general refurbishment of PW1, which is used for all sorts of events. The Taste happens to be one event held inside the shed.

**Mrs ARMITAGE** - It would be one of the major events.

**Mr VALENTINE** - From my information, it is occupancy of the shed that the government provides. I do not know whether it is at a reduced rate. That is the level of support.

**Mrs ARMITAGE** - I am not sure we should be helping the Government answer the question.

**Mr VALENTINE** - All I can say is that the Hobart City Council has complained for years the government does not put money in.

**Mrs ARMITAGE** - Falls Festival?

**Mr SPROULE** - We do not provide core funding to the Falls Festival. Having said that, we do work with the Falls Festival in a leveraging sense. What that means is that we have, through a partnership with Tourism Tasmania, assisted them with the creation of promotional videos and the like they use to promote the destination. It is fair to say we do work with them, but we do not provide them core funding.

**Mrs ARMITAGE** - Would it be possible to have a list of the events that are funded? Festivale in Launceston - has the government ever provided any funding to Festivale?

**Mr SPROULE** - Festivale has been successful in gaining funding through our Small Grant Program in the past.

**Mrs ARMITAGE** - Do we know how much that is? When you say 'small grant', I wonder -

**Mr SPROULE** - It was around the \$3 000 mark.

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**Mrs ARMITAGE** - Not being parochial here, but I am just looking at the Wooden Boat Festival for \$650 000.

**Mr HODGMAN** - You have not asked us about V8s yet.

**Mrs ARMITAGE** - I was getting to the V8s. They are not really in the north. They are halfway. Sorry, Premier. If I could have a list, it would be good.

**Mr HODGMAN** - I will have Adam to spiel on how these events are distributed and how the funding is dispersed. We are going through a balancing act. As a new government, we are determined to make sure there are not only robust processes in place to assess new and emerging events, but also to make sure existing ones are doing their bit to refresh and remain attractive and to try to disperse events right around the state. For those who have an interest in areas outside of Hobart you would have appreciated our announcement to establish a regional events start-up program that will send things anywhere but Hobart. That is a great opportunity for new and emerging events. Adam, you might talk about the spread, and we can table that I am sure.

**Mrs ARMITAGE** - That would be really good to have the list to see where the money goes.

**Mr SPROULE** - It is a question I am asked a lot, as soon as I step outside of Hobart - what is the percentage of funding that goes in Hobart versus outside Hobart? The numbers show that it is fairly evenly spread. What is more important in the way we fund events, is we have major event partnerships, which is essentially our major events. Those events are

**Mrs ARMITAGE** - Dark MoFo, of course.

**Mr SPROULE** - Dark MoFo is one of those.

**Mrs ARMITAGE** - Not to forget how much money is going there.

**Mr SPROULE** - Those events are essentially supported to bring people to the state. So unashameably visitation strategy. The capacity to keep people moving around the state within regions. How do we get people from Launceston to -

**Mrs ARMITAGE** - Do we have figures of that or how many people come in to Dark MoFo or to Taste, or Wooden Boat, who travel to other parts of the state, or simply come into Hobart or leave from Hobart?

**Mr SPROULE** - We have figures about the numbers that come in for each of those events because we assess them at the end of each event. We also know how long they stay. Where they travel around the state, I would have to check.

**Mrs ARMITAGE** - Or whether they travel around the state.

**Mr SPROULE** - They probably would, given the length of stay for some of those events. I do not think you would be spending all your time in Hobart. The same for the football in the north. We know that people fly in for the football and extend their stay and travel around the state as they do for the V8 super cars. As they do for Junction Arts Festival and other events that are supported in the north.

We also have a smaller grant program, and when I say smaller I do not mean less important but they are championships, touring car clubs, those sorts of things, where we know that they are quite easy.

**Mrs ARMITAGE** - Like the BMW we had last year, the two lots of bikes?

**Mr SPROULE** - That is right. We can target those groups to come because the great thing about those groups is that we know that they tour around the state.

**Mr FINCH** - A lot of them.

**Mr SPROULE** - Yes, they do and the benefit does not all stay in the gateways or in Hobart and that has been a major focus of ours over the last six months. We will be ramping up those programs.

As the Premier pointed out, we are very excited about the start-up program as a team, because this is our capacity to go out there and start investing in what hopefully will be the new signature events for the state. At the moment the program is pretty big, and it is fairly balanced between sport, cultural events and artistic events but we need to make sure we are investing now and ensure that remains the case in four or five years time. I know in Launceston we are already in discussion with a number of people about some ideas they have.

**Mrs ARMITAGE** - Particularly for the winter period.

**Mr SPROULE** - Particularly for the winter period. Very important to add that we have a strong focus on supporting events in the shoulder and winter period and probably the best example of that is Falls Festival. Falls Festival is a fantastic event for promoting Tasmania.

**Mrs ARMITAGE** - Great for the state, not so good for the north because everyone leaves and goes to Falls.

**Mr SPROULE** - It is also at a time of year, that you could argue the state has a strong, high capacity, so an event like that would not typically attract significant support from us but we understand that they have a great capacity to go out and sell Tasmania, outside of Tasmania, and hopefully those people might come back at another time.

**Mr VALENTINE** - It is also the case, is it not, with Festivale and the Taste, that the stallholders come from all over the state. So they take money back into their various regions.

**CHAIR** - And visitors come from all over the state to both of those events.

**Mrs ARMITAGE** - My point was with Festivale, they receive basically no state government funding.

**CHAIR** - Neither does the Taste.

**Mr VALENTINE** - Neither does the

**Mrs ARMITAGE** - The Wooden Boat Festival receives \$650 000. And Hawthorn.



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**CHAIR** - Let us not do this parochial thing. If there are no other questions -

**Mr DEAN** - I have a couple. Targa attracts more people than any other sporting event in Tasmania. It used to - that might have changed. It is over a number of days of course and that is probably the reason for it. What support do we have there, Premier? For both the V8s and Targa, are they tied in for a number of years? We are not going to reach that farcical situation that we had with the V8s previously?

**Mr HODGMAN** - It is \$240 000 per year for each event. There is a three-year agreement in place which runs through to 2016.

**Mr DEAN** - That is up for negotiation now, if it is 2016? Where are we with that?

**CHAIR** - That is only the coming Budget.

**Mr SPROULE** - There is still the next Targa, which is contracted to happen.

**Mr DEAN** - In 2016 it is contracted?

**Mr SPROULE** - Yes, it is contracted to happen. We have already foreshadowed with the event organisers about discussions in relation to the renewal, or the processes they would need to go through for renewal of that to ensure that it is resolved before the event in 2016. That is the normal structure of our contracts.

**Mr DEAN** - Oh, I see.

**Mr SPROULE** - Twelve months out we would be starting to talk to them about it.

**Mr DEAN** - I see, you cannot get it any further ahead than 12 months. The reason I asked that is that other states have demonstrated some interest in that because of its attraction and what it does.

**Mr SPROULE** - It is not that we could not go earlier. It is just that is what the event organisers and we agreed at the time of signing the agreement. In fairness to them, they want a couple of events in the contract and they come to talk to us about what they want to do.

**Mr HODGMAN** - I have not have any warning shots fired across my bow. There is great excitement about next year's twenty-fifth event and they have a lot of exciting plans surrounding that. It is an extraordinary event, not just in terms of the participation here in the state and the people it attracts, but the exposure it generates.

**Mr DEAN** - The publicity for Tasmania it attracts.

**Mr VALENTINE** - It is international exposure.

**Mr DEAN** - It is enormous.

**CHAIR** - And the same with the V8 supercars.

**Mr DEAN** - The V8 supercars - how long are they tied in for?

**Mr HODGMAN** - We have re-signed them. It is a new agreement we struck or secured this year.

**Mr SPROULE** - Late last year

**Mr HODGMAN** - For five events running through to 2019. The agreement provides funding of \$750 000 for 2014-15; \$775 000 for 2015-16; \$825 000 for 2016-17 - it is a lot of money but well-spent - \$850 000 for 2017-18; and \$925 000 for the 2018-19 event. In addition to that, the Government has agreed to contribute up to \$2 million over four years towards infrastructure upgrades at Simmons Plains, which goes to Motorsports Tasmania. That agreement provides for funding of \$100 000 for 2014-15; \$900 000 for 2015-16; \$500 000 for 2016-17; and \$500 000 for 2017-18. Again it was one of those necessary commitments to infrastructure upgrades that were necessary to secure the event into the long term.

There are a reasonable demands on the infrastructure improvements to be made. It was necessary to at least commit that level to secure the event over those forward years. It was a superb deal.

**Mr DEAN** - Yes, a great effort.

**Mr HODGMAN** - We are not seeing any signs of dissipating interest in the event. It is in fact more so than for Targa, the most supported Tasmanian event. We hope that it will continue to prosper.

**Mr DEAN** - Thank you for that, Premier. One general question, which you might have been asked. Are there any new events being targeted for the year? If we have covered it, I will pick it up from *Hansard*.

**CHAIR** - It is just the regional event StartUp program -

**Mr HODGMAN** - They are yet to be determined. That will depend on the competitive process.

**Mr DEAN** - There is nothing on the horizon that is new that you are aware of?

**Mr HODGMAN** - Not in the major events. There might be minor ones.

**Mr SPROULE** - There are a range of discussions we have had with prospective events organisers, particularly in regional Tasmania and in Launceston. These are people who will now likely find their way into the contestable process through the regional start-up funds. You can appreciate I do not want to talk about that.

**Mr DEAN** - I understand that.

**Mr VALENTINE** - With respect to the Queenstown event, wasn't there a festival there? Is that going to happen again next year?

**CHAIR** - The Queenstown Heritage Festival.

## UNCORRECTED PROOF ISSUE

**Mr HODGMAN** - Yes, it is a biennial, three-day multi-arts festival in and around Queenstown on the west coast. Won an award last year through the Tourism Industry Council Awards for regional events in Tasmania. Fifteen hundred people attended the 2014 festival, the first one being held in 2010. There were 80 people from interstate at least that we know of.

**Mr VALENTINE** - It has many good days ahead of it.

**Mr HODGMAN** - We are contracted to provide funding of \$100 000 for festivals held, for the one gone in 2014 and also the next one in 2016. It is an important part of our support package for the west coast following the recent downturn in mining. They have very cleverly tapped into an area of great interest for locals that has very much a west coast flavour running through the festival. It is true to say it has been extremely well received by the broader community, particularly in that space, with some exceptional local talent contributing to its organisation, which is a credit to them.

**Mr VALENTINE** - If I can continue on that line, with respect to the west coast. For Zeehan and Queenstown, in tourism, is there any real strategy in trying to pick that up a bit, not just in the festival but in other ways?

**Mr HODGMAN** - Our package that we announced, and I do not have all the details before me, but it did include other attractions to support tourism-based activities, cycling or mountain biking being one of those.

**Mr VALENTINE** - I noticed that in one of the projects. That sounds like a very positive thing.

**Mr HODGMAN** - The trails, yes. They are very cleverly done. The task force is chaired by Adam Brooks and driven by local community leaders looking at new attractions. They are not trying to replicate what happens in other parts of the state.

**Mr VALENTINE** - Given the ruggedness of that, it would be a very important focus for them.

**Mr HODGMAN** - I can get you some more information on that. A large part of our package to stimulate economic activity, and very much in the short term, is based a lot around recreational activity, drawing more people into the region and supporting infrastructure projects that go to those things.

**Mr VALENTINE** - Not that we want to see motorcycle accidents but a lot of motorcyclists love the west coast.

**CHAIR** - I will draw this to a close. It is 4.10 p.m. and we still have the whole of Premier and Cabinet to go. We will be back in 10 minutes.

**The committee adjourned from 4.09 p.m. to 4.20 p.m.**

### **DIVISION 7**

(Department of Premier and Cabinet)

**Output group 1**

**Support for executive decision making**

**1.1 Strategic policy and advice -**

**CHAIR** - We will put that on the record, Premier.

**Mr HODGMAN** - Two matters I am able to provide additional information on concern the dual naming nominations. I want to provide that additional detail, having sought an update from the Chair of the Nomenclature Board, Mr Michael Giudici. He is happy for me to table to this committee a copy of the Tasmanian Aboriginal Centre's letter of 3 March 2015, to which I referred by way of their nomination of these places for dual naming to the board. This letter lists the eight new nominations from the TAC for dual naming.

The TAC's letter refers to its nomination of dual naming of Triabunna to Trayapana or, in the alternative, for the name Triabunna to be replaced with the spelling 'Trayapana'. The Chair of the Nomenclature Board has advised that the TAC has not confirmed in writing its final preferred option for either renaming or dual-naming Triabunna. Whatever transpires remains to be seen. I am advised also that a final decision on the assignment of names is made by the responsible minister - that is Mr Rockliff - following a statutory one-month public-wide consultation period, during which objections to proposals can be lodged with the board. I am always interested to hear how that consultation can be as best widespread as possible. Clearly, what has happened in this instance is that dual naming of Triabunna has been proposed with the alternative. It cannot be assumed it could only be the renaming, but could in fact be the dual-naming of Triabunna with Trayapana. I am happy to table that letter, just confirming the above.

**CHAIR** - I think that is fine; it will be in *Hansard* now. Thank you.

**Mr HODGMAN** - Second, in relation to bag limits attached to cultural fishing permits - for example, for abalone and crayfish - Aboriginal persons engaging in Aboriginal fishing activity, defined in the *Living Marine Resources Management Act 1995* as the non-commercial use of the sea and its resources by Aborigines, are required to comply with bag limits and possession limits prescribed for recreational marine fishers. Permits that may be granted under s. 12 of the Living Marine Resources Management Act for Aboriginal cultural and ceremonial activities have conditions prescribing limits on the taking of fish appropriate to the cultural or ceremonial activity.

**Mr DEAN** - Thank you, Premier.

**CHAIR** - Welcome, finally, as the Premier. If you would, please to introduce who is with you at the table and make a short opening statement.

**Mr HODGMAN** - Mr Greg Johannes, Secretary of the Department of Premier and Cabinet, Mr Scott Marston, Deputy Secretary, and Mr David Strong, Manager, Finance.

**CHAIR** - Thank you. As time is getting on, I would like you to make an opening statement if you would like to.

**Mr HODGMAN** - I will keep it very brief by acknowledging that in a year-and-a-bit, the new department has engaged with the new Government's not insignificant policy agenda. This agenda includes election commitments and the implementation of new policy directions, which we believe are starting to deliver positive results, especially for our economy. One of the first things I did as the Premier and as the minister responsible for this department was ask the department to make structural and budget savings. The department has done this very efficiently, reducing its overall budget by between 5 per cent and 8 per cent without materially impacting on its expected service delivery. That is a credit to the department. It has undertaken its own significant restructure over the past years as we have discussed already today, with the additions of Sport and Recreation, and also from 1 July, Service Tasmania's network shop fronts.

These two changes have doubled the size of the department in staff. Since the budget for 2014-15 was tabled in August last year, the department has been reviewing the budgets of every Output to ensure that they accurately reflect the true cost of work in each area. There have been several drivers for this review, greater accountability and transparency. I take on board the members' observations about the information contained within our budget papers and how that might be improved. We are always very keen to make sure we are transparent and accountable.

The true cost of overheads are being represented in Outputs, accurate budgets for expenditure line items, particularly employee-related supplies and consumables. The transfer of Sport and Recreation Tasmania from 1 July - not an insignificant restructure - and Service Tasmania shops and Service Tasmania online from 1 July coming into DPAC, which has its own advantages, as well as the creation of the new Output 6.5, women's policy.

These changes have resulted in the Budget allocations for some Outputs reducing and others increasing. There is no net effect to the budget of the department due to the reallocation of quarter overheads. We will discuss those as we go along today. More broadly, there have been significant savings made to the Budget. We are frequently using the terminology that the heavy lifting has been done, and it is true to say, as tabled in committee.

At the commencement of these hearings, 92 per cent of the required four-year budget savings that we announced last year are expected to have been achieved by this year. It is true to say that the heavy lifting has been done. The job for the Government now is to get on with building the essential services and the infrastructure that the state needs as we get the Budget back into surplus sooner than we expected with savings across the entire Government of just \$33.9 million in embedded savings required this year. That is 0.6 per cent of the total expenditure - more than \$5 million budget.

There are no new savings measures included in this Budget. It is not true to say there are further embedded structural savings to be made. They have been outlined last year. We are 92 per cent of the way through delivering them. To make sure we get the Budget back on track we will make those additional savings, with the remaining estimated total of \$47.4 million in total savings to be implemented across 2015-16 to 2017-18.

The savings strategies we have outlined include non-salary savings, the savings equivalent to around 700 FTEs. Without wanting to go through it all again in length, what we are anticipating is that these structural savings, where it does involve FTE positions, can be done by natural attrition consistent with the usual turnover rate in the public sector. We will manage these further reductions with all agencies via the ministers and budget committee to ensure that it is done as effectively and as seamlessly as possible without disrupting public services, but importantly, with

an eye to getting the Budget back on track so on a whole of Government level we can invest better into essential services in the future. Needless to say, DPAC has led the way and delivered on what was expected of it.

**CHAIR** - Premier, thank you for taking the salient points out of that. I know you have cut it short but we are getting on in time. I would ask people on both sides of the table to keep your questions reasonably short. I do not want to stop any scrutiny of the Budget, so I want to make sure we have enough time to get through it all. If you could keep your questions reasonably short and answers similarly so. Mr Dean, you are starting off with Strategic policy and advice, item 1.1.

### 1.1 Strategic policy and advice -

**Mr DEAN** - What are the current staffing levels in this area?

**Mr HODGMAN** - Are you seeking FTE comparisons?

**Mr DEAN** - Yes.

**CHAIR** - Premier, I am sorry. I forgot to say at the beginning - and I feel eyes upon me - that in keeping with established practice, this committee will not examine the Estimates of the House of Assembly. This recognises fully the independence of one House from the other; that is the principle of comity between the two Houses and the powers possessed by each.

**Mr HODGMAN** - Yes, 49.88 FTEs. By way of contrast, it was 51.15 FTEs on 31 March 2014, so a decrease of 1.27 FTEs.

**Mr DEAN** - Is there any comparison? I know things changed around between the time of your Government taking control of the reins and the previous government, but were numbers similar?

**Mr HODGMAN** - That is the most recent -

**Mr DEAN** - They were the numbers previously, was it? So there has been a decrease?

**Mr HODGMAN** - That was on assuming government. What it was, going back over earlier years -

**Mr JOHANNES** - It has been relatively stable over recent years, Mr Dean. In the context of 50 FTEs, we would say a fluctuation of just one between March 2014, when the new Government came in, and March 2015 this year. Historically, it has been a fairly small fluctuation.

**Mr DEAN** - When you look at the Budget and the available figure, there is a steep decrease in the funding within the area of strategic policy and advice. Nearly all of that is as a result of the handballing of certain areas and movements within that department. Can you tell me what has gone? What has happened in that regard? Where has it gone to?

**Mr JOHANNES** - Primarily it results from the issue the Premier spoke about earlier, which is reallocating overheads. To give you an example, previously 60 per cent to 70 per cent of the cost attributed to support the Office of the Secretary within DPAC sat within the Policy Division.

That was not an appropriate place for that to be parked. Through the work Mr Strong has led, we have reallocated corporate overheads to more accurately reflect where the true cost of supporting functions in the department is. It is true to say that funding was reallocated from the policy portfolio to other areas of DPAC, but that was purely to reflect a more accurate allocation of corporate overhead as opposed to any reduction of investment in the policy function. It was a move, by and large, for accounting purposes.

Mr Strong, is that a fair summary?

**Mr STRONG** - That is correct. Previously four of the outputs bore the cost of the Office of the Secretary; with the on-boarding of Sport and Recreation last year and Service Tasmania this year, we have taken the opportunity to revisit where each should lie and we have appropriately apportioned them across all the outputs. That is why you will see swings-and-roundabouts. That is why there is a decrease in Output 1.1, which is spread across the other outputs.

**Mr DEAN** - Thank you. I have a couple of questions, but not on the staffing and salary levels.

**Ms RATTRAY** - I have a general question. Obviously this is a fairly important area of government, Premier. The recent Auditor-General's report into security of ICT infrastructure and information talked about how departments fund that particular part of their organisations. Can you tell me how this has been funded through your department? It is broadly the department.

**Mr JOHANNES** - We don't centrally fund through DPAC ICT security in government. It is the responsibility of individual agencies. We have an Office of e-Government that supports an ICT policy board which is in minister Ferguson's portfolio. It provides advice to agencies and encourages a consistent and strategic approach to ICT security across government. That is not driven out of this output. It is driven out of one of the ICT outputs in minister Ferguson's space. As a department, our role is to coordinate and advise and encourage a consistent approach but we don't directly fund.

**Ms RATTRAY** - What about looking after your own information in-house?

**Mr JOHANNES** - We do that through Mr Marston's area. The corporate area of DPAC is responsible for the security of our systems.

**Ms RATTRAY** - I will ask again later. We are not down to corporate yet.

**CHAIR** - Do you have an answer now?

**Mr MARSTON** - Only in that it is covered in our information services branch. When we get down to that output it will give us a bit of time to get through the specific detail.

**Ms BURTON** - The ICT security report by the Auditor-General raised some issues across government and while this is not necessarily an output to be discussed today, it is worth mentioning that TND, which exists within DPAC, looks after ICT security across government. Mr Valentine will be well aware -

**Ms RATTRAY** - He probably set it up.

## UNCORRECTED PROOF ISSUE

**Ms BURTON** - He probably did. There are thousands of spam emails that hit our systems every day. This is all managed through the Networking Tasmania contract, which is run out of TND. So there is a cross-government ICT security. Then, as Mr Johannes has said, each agency looks after its own ICT security. Within DPAC, the corporate service areas looks after security. There is an umbrella across government and then there is separate action by each agency.

**Ms RATTRAY** - When we get to corporate services I will be able find out what the figure is in relation to the cost implications?

**Ms BURTON** - Probably not something that is disaggregated under the umbrella. ICT, if you were dealing with a telecommunications company, as we do with Telstra and a range of other providers, the security comes as part of that. There is work that Mr Johannes is chairing through the ICT Policy Board to improve contemporary security. That was part of our response to the Auditor-General's report which minister Ferguson reported on to the other committee. There is work going on, but in terms of a line item in this Budget -

**Ms RATTRAY** - I wasn't expecting a line item, but I thought we might be able to identify what costs were incurred to the agency, overall, in relation to that matter. The question appears to be not that easy to answer.

**Mr MARSTON** - We can certainly give you anything we have.

**Ms RATTRAY** - So homework?

**Mr MARSTON** - Absolutely. We have an overall ICT budget but Information Services Branch budget and things like this are given a priority. That strategically is taken by Ms Burton and I implement as directed. I can say on a broad scale there has been no cuts in that area during the efficiencies made; it is an area of real concern and real strategic importance, both to the Premier and minister Ferguson.

**Ms RATTRAY** - When the Auditor-General makes recommendations, we all know what we do - we work on them.

**Ms BURTON** - And we are.

**Mr DEAN** - There were savings identified in the 2014-15 Budget to the ministerial offices - I think it comes in this area - \$708 000 and electoral offices of \$216 000. Were those savings made?

**Mr HODGMAN** - It is alright, we just zipped into MPS.

**Mr JOHANNES** - Is this an MPS, or is it in House of Assembly?

**Mr HODGMAN** - Sorry, electorate offices.

**Mr DEAN** - I thought this was electorate offices across the board.

**Mr HODGMAN** - Sorry, my apologies, I miss heard.



## UNCORRECTED PROOF ISSUE

**Mr STRONG** - There is output 1.1 under DPAC, which is some of the questions we have just been answering. There is output 1.1 under Ministerial and Parliamentary Support which goes to -

**CHAIR** - That is not what we are looking at, we are looking at 1.1 Strategic Policy and Advice.

**Mr STRONG** - So the question you have asked is not in this particular area.

**CHAIR** - The question you have asked is actually in the output for support for members of parliament.

**Mr DEAN** - What about the car fleets?

**Mr STRONG** - Ministerial Transport Service, yes.

**Mrs ARMITAGE** - I am assuming this is the appropriate place as it was last year, just regarding accommodation in Henty House and I think the member for Windermere brought it up last year and I followed on. Now that Mr Booth has resigned and left, we have the first floor which is quite a considerable amount of office space the Greens have previously been using, and up on fourth floor - sorry?

**Mr DEAN** - Andrea will be there now.

**Mrs ARMITAGE** - Yes, that is one member. Some of the reason given was that Mr Booth was the leader so it is quite a considerable amount. Do you think it might be reasonable, particularly given the Government's savings - and noticed last year mention was made that some reductions had been saved in lease of properties by combining. Would it not be sensible to have the five members up on the fourth floor, up all on the one floor, and perhaps sub-lease down below? You now have one Labor member in half a floor and it would simply require something like a division between to make two offices. That way if people came to see the members, we would all be on the same floor, as opposed to first floor being a huge area, with one new member and fourth floor having the three of us on one and one member on the other side.

**CHAIR** - This might have been something you brought up last year and the Government said it would look at.

**Mrs ARMITAGE** - They did. That is why I was asking again now that Mr Booth, who was the leader at that time, perhaps having more staff and now not being there.

**Mr HODGMAN** - I can give you the latest update from the manager of properties and procurement which is as follows:

The advice I have is that Henty House, the government leased premises, administered by the Department of Treasury and Finance as the head lessee, and the lease expires in May 2017, and Treasury intend to enter into negotiations with the building owner to extend the lease for a further term. If the co-location was to occur, the department would incur reasonably significant costs to provide separation of tenancies, including the provision of separate reception counters. Indicative costs to achieve separate tenancies would likely cost \$20 000 at a minimum, and to ensure that the department complied with relevant

building regulations, et cetera. In addition, the department would still be required to pay the lease costs on the level one tenancy until another government tenant was willing to take over the space. There is currently no demand for office space at Henty House. Furthermore, I am advised that Ms O'Byrne did not like the idea of the Tasmanian Greens co-locating with her.

**Mr DEAN** - I am not surprised there is no demand.

**Mr HODGMAN** -

Notwithstanding the above, and on the basis that these two offices are considered electorate offices, the department intends to liaise with Treasury to establish an exit strategy from the premises following the upcoming lease expiry in 2017 and source suitable and more cost-effective electorate offices elsewhere.

**Mrs ARMITAGE** - That would be good, it would be great to be on the ground floor, so that we could access constituents.

**Mr VALENTINE** - Last year when we were dealing with minister Rockliff, he told us that DPAC was responsible for particular issue. It is the strategic policy and advice. It is to do with the consideration of valuation cycle review and whether or not that should be put in place and the implications if it was implemented. It is obviously a policy issue and also an advice issue. The valuation cycle at the moment is six years; properties are revalued -

**Mr HODGMAN** - Municipal.

[4.45 p.m.]

**Mr VALENTINE** - Well not municipal particularly, but it is by municipality but it is property revaluations. They are on every six years and by the Valuer-General, or at least organised by the Valuer-General. I do not think he does it, because I think it is outsourced. It is that issue of shortening that cycle and whether that has been given consideration and what the implications might have been. Apparently, consideration was given to that. There was a report, I believe?

**Mr JOHANNES** - My understanding is that this is a DPAC issue, it is a local government division issue. They have looked at the valuation issue a number of times in the past few years. It does not come under this Output, unfortunately, as a result of it being a local government issue. If I had the Director of Local Government here I would happily have him answer the question. He is not here because it is under the Treasurer, as Minister for Local Government's portfolio.

**Mr VALENTINE** - Around we go. Maybe we have to organise a question in the House.

## **Output group 2**

### **Government processes and services**

#### **2.1 Management of executive government processes -**

**Mr VALENTINE** - The first question is the level of FTEs in this particular sub-output group of Government processes.

## UNCORRECTED PROOF ISSUE

**Mr HODGMAN** - It is 21.73 and by way of comparison, last year as of 31 March it was 18.35.

**Mr JOHANNES** - Some unfilled vacancies previously that we have filled in the intervening year.

**Mr VALENTINE** - It is not an increase in FTEs per se? It is unfilled vacancies that have been filled?

**Mr JOHANNES** - I would have to go back and I am happy to check on that. My understanding that it is primarily filling vacancies that at March 2014 had not been filled.

**Mr VALENTINE** - If we could get the figure, that would be good. If you could give us an FTE for the media unit, is that part of this?

**Mr HODGMAN** - As at 31 March 2015, DPAC had a Communications and Marketing Unit of 5.9 FTE employees.

**Mr VALENTINE** - What would that have been last year?

**Mr HODGMAN** - It was 8.3 as at March 2014. This comprised the manager of the unit, currently at 5.9 FTE, two communications consultants, two multimedia specialists and a fixed term graduate communications officer. In addition, a full time project manager works on TasAlert and Emergency Management Public Information Project. It is important to note this unit is not part of the Tasmanian Government Communications Office, which we can discuss separately.

**Mr VALENTINE** - Where does that come under?

**Mr HODGMAN** - Ministerial and Parliamentary Services. That is under a different budget Output. These are not people doing political media relations and communications support.

**Mr VALENTINE** - I understand. That drop in the 2.5 FTEs, have they been shed or have they gone elsewhere in the Government?

**Mr HODGMAN** - The individuals themselves?

**Mr VALENTINE** - The positions, are they positions saved or positions lost?

**Mr HODGMAN** - We can find out. I will take that on notice and get back to you.

**Mr VALENTINE** - The TasAlert Emergency Management website, do you still have cooperation of all departments in that regard? How is that going in terms of management and cooperation?

**Mr HODGMAN** - Very well. TasAlert receives recurrent funding of \$265 000 a year. That covers the hosting of TasAlert and PUI portal platforms, enterprise, licensing and upgrades, network services, staff training and exercises, public awareness activities and ongoing staffing. Additional funding has been sourced through the National Partnership on Natural Disaster Resilience. That is in the sum of \$112 000. This funding will be used for enhancements to the

TasAlert project. That includes redesigning the website, developing a geospatial web app, live video streaming, re-design IU portal and integration with emergency management tools.

The advice I have, and from what I have seen and heard, a highly resilient emergency website, aggregating information from right across government including social media feeds 365 days a year. Its delivery met two of the key recommendations from the 2013 Tasmania Bushfire Inquiry relating to the use of social media in emergencies. It also meets public expectations that timely and consistent information from all emergency services and government agencies is provided centrally via channels that are highly resilient and easily accessible.

To answer your question, the advice I have and the information I have seen firsthand, as indeed my minister for Police and Emergency Services, Mr Hidding, is that there has been significant progress, albeit largely driven by our most recent experience. That has informed not only Government to make this recurrent investment available but to apply it in a most effective and coordinated fashion across agencies via the Tas Alert platform.

**Mr VALENTINE** - It is a good move. It is obviously a place that people can go to get the fullest information even if they are running their own Facebook page. At least they are going to get information from that page, one hopes. Is that correct? That is the idea, isn't it?

**Mr HODGMAN** - Yes, certainly. There is also behind the scenes coordination between agencies as well and structures that have been put in place to make systems more resilient again, learnings from previous experience. That is better coordinating the activities of our agencies in a less public way as well. It sits behind the effective public interface that exists around Tas Alert.

**Mr VALENTINE** - Can we have consultancy costs please, including contracted work and/or services for the year, and a comparison on previous year? I guess you do not have sub-group. By this question, I mean as well as contracted work. I understand there is quite often a different perception when you are talking about consultancy as opposed to contracted work. I am talking about both.

**Mr HODGMAN** - Expenditure on consultancies from 1 July 2014 to 31 March 2015 excluding TMD was \$657 327.37. Expenditure on contractors from 1 July 2014 to 31 March 2015, again excluding TMD was \$1 738 778.80. Expenditure on contracts for services for TMD from 1 April 2014 to 31 March was \$1 245 082; and training services provided through the training consortium totalled \$863 778.99. I apologise for the typographical error.

**Mr VALENTINE** - You mentioned TMD there as well. You have given that breakdown. If there are any further questions I can ask those on the floor.

The scholarship program, the ANZCOG program, how much sits there now for use and perhaps give us 2015-16 level expected.

**Mr OGLE** - The figure, the cost or the budget for the scholarships was \$120 000 this year. I didn't get the other questions, sorry.

**Mr VALENTINE** - The number of people that have been through

**Mr OGLE** - I haven't got a brief on that. I am trying to add them up in my head.

## UNCORRECTED PROOF ISSUE

**Mr VALENTINE** - If you can provide later, that will be fine. There is no issue there.

**Mr OGLE** - About five. I will get you the precise figure.

**Mr VALENTINE** - If you can give me the precise on that, would be great. The number of SES in the unit?

**Mr JOHANNES** - To clarify, Mr Valentine, in the department or the unit?

**Mr VALENTINE** - I am talking about the unit.

**Mr JOHANNES** - Which unit is this?

**Mr VALENTINE** - Maybe you should give it to me for the department.

**Mr HODGMAN** - Between 31 March 2014 and 31 March this year there was a net decrease of two Senior Executive Service officers within the department. Of all the new appointments, one was a transfer to another agency, six retirements or resignations or contract expiries, and one transferred from another agency. A fair bit of internal movement but a net decrease of two SES within the department of the year.

**Mr VALENTINE** - Do you know the number?

**Mr HODGMAN** - It is now 22, it was 24.

**Mr VALENTINE** - That is for DPAC? Is this the place where we ask how many SES you have across the State Service?

**Mr HODGMAN** - As at 30 June 2015, there were 147 SES officers across the public sector. That compares to 166 SES officers at 30 March 2014. That is a reduction of 19 SES officers since this Government came to office. The decrease in SES numbers has been across all agencies and across all SES levels. It honours two of our election commitment, to reduce the SES by 10 and to reduce the public sector wages bill as part of our task of fixing the Budget. That is the change.

**Mr VALENTINE** - The number of non-SES that have been reduced?

**Mr HODGMAN** - Across the whole department?

**Mr VALENTINE** - We were talking about the whole of the service in that one that you gave me, so the number of non-SES across the service?

**CHAIR** - Or total number of employees?

**Mr HODGMAN** - It is 747, off the top of my head.

**Mr VALENTINE** - Is this the place where we ask for marked up bills please?

**Ms RATTRAY** - That is the next one. I am interested to know how much the separations of those people, who are no longer working in that department, cost the department and how they were funded?

**CHAIR** - And how long it would take to recoup?

**Mr JOHANNES** - They were all funded internally.

**Ms RATTRAY** - You did not have to borrow anything?

**Mr JOHANNES** - To the best of my knowledge, we have not had any borrowings. In terms of the total cost, we can get that for you and are happy to provide that.

## **2.2 Principal and subordinate legislation -**

**Ms RATTRAY** - Mr Valentine has already alluded to the main question. We know that OPC is as scarce as hens' teeth. I think that is a given. Is that still the case, Premier?

**Mr HODGMAN** - Sorry, I missed that.

**Ms RATTRAY** - That OPC is still a very specialised area and they are always difficult to source that expertise? Nothing has changed?

**Mr HODGMAN** - No, not that I am aware of. They are still a very specialised group of -

**Ms RATTRAY** - Well, last year we talked about marked-up versions of bills, and homework was to go away and see if we could have something done on that. Your comment was, 'We will look at that.' Can you tell me, have you looked at that?

**Mr HODGMAN** - It certainly has been looked at. The right people are on their way.

**Ms RATTRAY** - We are flexible. We can come back. Obviously, the small reduction, Premier, is to do with the fact that we are cutting red and green tape. We have less legislation and regulation. Correct?

**Mr HODGMAN** - Where appropriate, yes, we are doing just that.

**Mr MARSTON** - The small reduction in that particular output might have been just to do with one administrative officer, a non-drafter - but we made some efficiencies on the administration side of the agency.

**Ms RATTRAY** - Right. But we have 27 pays as well, so I was expecting to see a small increase to compensate for that, but I have seen a small decrease instead. Is there something more then? Have we lost more than just that one person or have they gone -

**Mr JOHANNES** - Reading the Budget, I have it as 2014-15, \$3.237 million, increasing in 2015-16 to \$3.433 million, and then reducing in 2016-17 back to almost the equivalent of 2014-15 at \$3.288 million. That is under -

**Ms RATTRAY** - That is not what we have. I am looking at page 185, Division 7, Revenue from Appropriation by Output.

**Mr STRONG** - We are talking about 2.2 here. There was a reduction in FTEs. There is also the impact of the overhead allocation that I talked about previously impacting on that, and of course 2015-16 does have the twenty-seventh pay in there. Obviously in 2016-17 without the twenty-seventh pay, you would expect the amount to drop, a small reduction.

**Ms RATTRAY** - We will get the answer to that marked-up version, thank you.

### **2.3 Tasmanian Government Courier -**

**Mrs ARMITAGE** - Chair, I notice that the number of delivery and collection points for the Tasmanian Government Courier has increased to 358, up by 33. Now, just looking at the budget of \$672 000, was that an increase on the previous year, because I noticed it has gone down in 2015-16 by \$26 000? I am assuming from then on it is CPI increase. So was \$672 000 an increase, or is there a reason -

**Mr STRONG** - No, once again it is part of this overhead allocation across the outputs, so there was a slight decrease in relation to that spreading of the overhead costs across all of the outputs. Part of that decrease relates to that particular exercise.

**Mrs ARMITAGE** - He is not doing more work and getting less money?

**Mr STRONG** - No, we have the same number of couriers. There has been no reduction in the number of couriers, as I say, it is this broader allocation process.

**Mrs ARMITAGE** - We would have hated to see that because they do a wonderful job. I just thought, well, it seemed their money had gone down and they had more delivery and collection points. There are really no questions on the output, they are doing a great job.

**Mr STRONG** - There is certainly no impact on the FTEs and the service they are providing.

**Mr DEAN** - Very polite and very efficient.

**CHAIR** - We do have a little problem in that the postal service is getting slower, as you know. Unless you use priority mail, it is becoming slower. The member for Apsley at times has to wait for things.

**Ms RATTRAY** - Thank goodness for email, that is all we can say.

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

**CHAIR** - The note says the increase is due to the reallocation of overhead costs, mostly. Can you tell me what savings have been made in dollar terms and in the reduction of FTE employees in this output item?

**Mr HODGMAN** - The Budget has increased from \$1.699 million in 2014-15 to \$2.285 million in 2015-16, an additional \$586 000 as the result of an increase of \$581 000 for

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overhead realignment comprising employee related expenses of \$342 000 and operational expenses of \$239 000.

**CHAIR** - Are you looking at page 185?

**Mr STRONG** - It is based on table 8.2 because there are trust funds in that as well. The explanation is still the same; it is to do with the overheads.

**Ms RATTRAY** - I missed the reason why they are not as they are.

**Mr STRONG** - It is to do with the overhead allocation. This is one of the outputs partially funded by having all of the Office of the Secretary and corporate costs in output 1.1, as we have previously discussed. This is part of the reallocation of the overheads across all the outputs. This is one of the ones that was increased as a result.

**CHAIR** - The question is, what savings have been made? Have there been any savings in dollar terms? Is there a reduction of FTEs in this line item?

**Mr HODGMAN** - No, FTEs as at 31 March 2015 is 6.72, whereas at 31 March 2014 it was 5.87 FTEs.

**Ms RATTRAY** - That is an increase.

**CHAIR** - Does this line item not have to make savings?

**Mr STRONG** - This particular line item is corporate services, which provides the broader support right across the outputs. This is one of the ones that provide support to the parliamentary offices and the Office of the Governor. One of the budget savings last year that the corporate services area did have to make was a saving of about \$250 000. We have taken that saving across the Budget in 2014-15. For the Corporate Services, which is HR, finance, ICT et cetera, there is an internal budget. That internal budget is spread across all the outputs.

**CHAIR** - So the big bucket took a cut of \$250 000 but still then you reallocate it across to departments.

**Mr STRONG** - Every output funds Corporate Services.

**Ms RATTRAY** - So somebody else in another area is doing more work because there is more in this area?

**CHAIR** - No, it is not in FTEs, it is the cost of the corporate services.

**Ms RATTRAY** - No, it is an increase in FTEs going from 5 something to 6 something, is that right?

**Mr STRONG** - It is recognising the effort and support the Corporate Services provide across every output. It is a truer indication of the actual support provided for each of these particular outputs we are representing here, whereas in previous years -

**Ms RATTRAY** - Last year the figure was wrong?



**Mr MARSTON** - Historically, there were some percentages allocated across the different outputs. There was a new output brought in and also David and his team have put a lot of effort into looking into actual activity. In our opinion, with the current allocation, which will then be tweaked slightly, you will only have this first-year impact that has been a bit more pronounced. After this, it is a lot more accurate than it was before.

**CHAIR** - So it is not just the dollar amount that has been reallocated, it is also a percentage of the FTEs that have been allocated? It is the allocation, it is not an actual person. It has been spread across the whole department and this is its share.

**Mr HODGMAN** - It is the allocation of people, .85 of an FTE.

**Mr VALENTINE** - Adjusted to reflect it to a position, I think that is what they are trying to tell us.

**Mr STRONG** - In accordance with Output methodology.

**Mr DEAN** - Is this where the state ministerial offices come in?

**Mr STRONG** - Getting closer.

**CHAIR** - I have no other questions if that is the only movement, it is just a reallocation.

**Mr STRONG** - I will answer Mr Dean's question. All the questions in relation to the House of Assembly and ministerial transport are dealt with under chapter 6 in the Budget, not chapter 8, which we are currently in.

**CHAIR** - One of the reasons we are asking these questions is, when we look at *Hansard*, we asked them last year.

**Mr DEAN** - Absolutely asked these, and the statement was made last year about the savings that would occur in the ministerial office. That is why I wanted to ask the question. We were told in these Estimate proceedings - and we are independent members so we can ask whatever questions we want. We are not controlled.

**CHAIR** - We are not going to ask them.

**Mr DEAN** - This came up last year, and that is the statement that was made by the Premier then, that there would be savings in the ministerial offices of \$708 000. I would have thought it was quite appropriate to ask the question whether the savings had been made. I would not have thought there was any big deal about it.

**Mr HODGMAN** - I am in the hands of the committee as to when we answer questions; the only point being that we will move from one chapter, literally, of the Budget to another.

**Mr DEAN** - I will hold off, as long as I can ask eventually.

**Mr HODGMAN** - We will make sure that happens, we have all that information. The only other practical issue is that sometimes people come and go.

**Mr MARSTON** - I might have been confused with the proceedings; I was working off the statement that Madam Chair raised about the House of Assembly.

**Mr DEAN** - The funding to the House, and that is not what this is about.

**Mr VALENTINE** - My question was with respect to ICT for Government House. Is that provided by the corporate component?

**Mr MARSTON** - We provide the support to them.

**Mr VALENTINE** - They do not have their own staff?

**CHAIR** - Are there any further questions on that line item?

## **Output Group 3**

### **Electronic services for government agencies and the community**

#### **3.2 Management and ongoing development of Service Tasmania**

**CHAIR** - I acknowledge the presence of Ms Kathy Baker, Director, Service Tasmania Unit.

**Mrs ARMITAGE** - Premier, I appreciate that it is all under one department now because in the past I would ask a question and it was either under DPIPWE or it was always under the other one. It was all over the shop; it was worse than the other one.

First, how many shops do you now have? Has it increased?

**Ms BAKER** - We have 27.

**Mrs ARMITAGE** - Still 27?

**Mr HODGMAN** - No change as a result of this restructure.

**Mrs ARMITAGE** - It has been asked in the past regarding the Launceston shop, and it is still the busiest shop in the state. Is there any thought of having a shop at least in the northern suburbs to take the pressure off the Launceston shop, seeing as it is one shop servicing quite a large area. Has any work been done to look at that?

**Ms BAKER** - We look at Launceston regularly. It is our busiest service centre. Having said that, it has also the highest FTE level of any of our shops across the state. Across the board, our transaction trends in the service centre is in gradual decline. I am thinking about 2013-14, I will be seeing a gradual decline in business across all of our service centre. We do not have any plans, nor do we have any funding available to us to establish a new centre. It is the recurrent cost that make setting up a new centre

**Mrs ARMITAGE** - When you say transactions, you mean over the counter transactions?

**Ms BAKER** - Correct

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**Mrs ARMITAGE** - Do you think that might be because people cannot access you because of the hours you are not open?

**Ms BAKER** - I do not think so. It corresponds with the increase in the electronic area. We are seeing more people choose to pay electronically. So across the board, people still can access a range of services outside of hours. So most of the common transactions are available over the phone or online. I do not believe that it is an issue because people cannot get there during the opening hours of service centre.

**Mrs ARMITAGE** - Can you tell me what the FTEs are for the state, just by the three regions please? I have asked them earlier.

**Ms BAKER** - Yes, I have the information here I am happy to table it, or would you like me to read them out individually?

**Mrs ARMITAGE** - What if you just give me the state total and then table the rest.

**Ms BAKER** - So in the northern region, this is at the 24 March, we have an FTE level of 25.81 with a total of 37 staff working in the northern region. In the north-west region, we have an FTE level of 31.45 with a total of 48 staff working in the region. In the southern region, we have a total of 45.81 FTE with 66 staff working in the southern region.

**Mrs ARMITAGE** - And the state total?

**Ms BAKER** - There are three administrative areas that I will talk about very briefly then I can give you total figure rather than having to add them up on the fly. So for the shop operations group, which is a group of people that support the day-to-day operations of the shop network, there are eight people in that business unit. In our contact centre across the state, we have a contact centre in Hobart and one in Launceston and we have 6.62 FTEs with 12 people. In the Service Tasmania unit, which is the group that currently exists within the Department of Premier and Cabinet, we have an FTE level of 10.52 with 11 people working in business unit. So across all of Service Tasmania there are 126.76 FTE and 201 people working across the business.

**Mrs ARMITAGE** - Last year, the figure you gave me was 185 FTEs - that would have corresponded with which number?

**Ms BAKER** - That would have corresponded with the people that are in the service centre network. I have just given a break down of the people that are in the service centre contact centre.

**Mrs ARMITAGE** - The comparison now, with the 185 would be.

**Ms BAKER** - The 201.

**Mrs ARMITAGE** - So it has actually increased?

**Ms BAKER** - It has not increased, the numbers that I would have given you last year would have just been the numbers of the FTEs in the shop.

**Mrs ARMITAGE** - So it is static.

**Ms BAKER** – Yes, correct.

**Mrs ARMITAGE** - I also noticed last year's annual report, that 38 bills were able to paid on line or via the telephone, has that increased or is it still the same?

**Ms BAKER** – No, that figure is still the same. Thirty-eight makes it sound like a simplistic number. Within that 38 we count one for the Department of Health and Human Services and there are plethora of Health and Human Services bills that are under that one service. So 38 is the actual service number, then there are various different accounts that will paid within that 38, and that has remained static.

**Mrs ARMITAGE** - One of the other areas that has been mentioned to me is that office hours are not consistent across the state. Is there a reason for that?

**Ms BAKER** - Yes there is, in 2011 we did a review of the Service Tasmania business where we looked at the customer demand for services in the volume that was being completed and basically aligned the opening hours with that demand. Regarding staff productivity, it is feasible for us to run a business where there might a 180 000 transactions a year being performed in a service centre; and a service centre like Flinders Island where there is probably less than 5 000 transactions per year.

**Mrs ARMITAGE** - I was probably thinking more within Tasmania as opposed to Flinders, the Hobart and north-west.

**Ms BAKER** - It is Tasmania.

**Mrs ARMITAGE** - I meant within the actual state, not crossing the water. I appreciate that Flinders probably has a less number.

**Ms BAKER** - We have four categories of shops, so we have categories A, B, C and D. If you are in a category you are open the same number of hours. Our category A shops are the busy shops, so it is Hobart, Launceston, Burnie, Devonport, Glenorchy and Rosny.

**Mrs ARMITAGE** - Do they have the same opening hours.

**Ms BAKER** - They do not have exactly the same opening hours but they are open eight hours a day. We have tailored the opening hours for that location based on the demand for services. The actual number of hours they are open per day is the same.

**Mrs ARMITAGE** - I am just wondering how they would have different demand for services if they are the busiest and they are still open eight hours. Why would we give them different opening hours?

**Ms BAKER** - Customers present at different times. In the CBD in Hobart and the CBD in Launceston they are busy periods; at Glenorchy they are actually busier at the start and the end of the day. Depending on where the shop is located, whilst they are open the same number of hours customer present at different peak periods in those locations.

**Mrs ARMITAGE** - So what are the hours in Launceston?

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**Ms BAKER** - The hours in Launceston are 8.30 to 4.30 and in Hobart it is 9.00 am to 5.00pm.

**Mrs ARMITAGE** - I am sure Mr Finch and Mr Dean would notice later in the day that the line is going out the door. One of the complaints I regularly receive, and I am not sure whether the other members also get them regularly, is that many people that might not finish work -

**Mr DEAN** - I walk out the back door.

**Mrs ARMITAGE** - That is right. Many people come to me and say we do not finish work until 4.30 p.m. or 5.00 p.m., particularly people in the trades who might be out of town, who might not pay their accounts online and cannot get in, or will be rushing there, to find a parking spot, and get there. I would have thought that the busy centres, when you say early or late, would be places like Launceston where it has one major shop for quite a large area, would have been one of the areas that would need to be open later to accommodate people

As Mr Dean said, he goes out the back door because there is a line of people all the way out the front. People get booked. They say, I have a parking ticket because I have been in this line. It is no reflection on the staff. The staff do an absolutely wonderful job.

Which leads me on to the question of stress leave. Do we have a lot of staff particularly in the busier shops, going on stress leave?

**Ms BAKER** - Recognising that at the moment, those staff are the responsibility of the Department of Primary Industry, Parks, Wildlife and the Environment, I have the information. I wanted to preface it by saying they are not formally my responsibility yet, but I have been able to get that data.

**Mrs ARMITAGE** - It is deja vu. This is like last year.

**Ms BAKER** - I have looked at a range of data this afternoon and these are some indications. There is no exact science to measure of workplace stress. This is some data that we have. From 1 July 2014 to 31 March 2015, there have been 18 workplace incidents across the network. Of those incidents, we have three categories. One is aggressive customers, customers who are rude or hostile to our staff.

**Mrs ARMITAGE** - They have probably waited a long time.

**Ms BAKER** - There have been four in the north, two in the north-west and two in the south, so a total of six for aggressive customers.

The second category is interpersonal conflicts. That is where there has either been a workplace issue between colleagues or there has been someone who has come into the service centre who has been hostile but has not necessarily been there as a customer. They have come in and acted as a distraction within the workplace. There have been three of those. One in the north and two in the south.

Then we have the final category which is physical injuries. This is where our staff have suffered a workplace incident, either strain injuries, slip or a fall. There has been one in the north, one in the north-west and five in the south.

The next measure we have is sick leave. In the north we had a total of 364 days of sick leave. Of that 364 days, four have been recorded as having a stress leave code attached to them. In the north-west we have had 310 sick leave days with no stress leave days indicated. In the south we have had 366 sick leave days with three of those being coded as stress leave.

Workers' compensation is probably the other area that may manifest as a result of stress in the workplace. From 1 July 2014 to 31 March 2015, we have had one case in the north and two cases in the south.

Our staff are dealing with the public day in and day out and that can be a stressful environment. We offer a range of support to our staff including the ability for them to access an Employee Assistance Program if they need someone to talk to outside the immediate work place, if they are either encountering difficulties in the workplace or difficulties in their private lives.

**Mrs ARMITAGE** - Is the Government actively involved in trying to promote online resources and functions of Service Tasmania?

**Ms BAKER** - We do not run an active advertising campaign. We work with our client agencies to position information about publications they send out. All of the invoices that are issued by our client agencies have Service Tasmania payment options listed. They may choose to prioritise electronic options over face-to-face options. We work with client agencies to do that within our existing resources. We do not have an active campaign to promote online or electronic services.

**Mrs ARMITAGE** - I wondered if they went down, would that mean that you would be cutting FTEs? If the overheads went down, would you be cutting FTEs?

**Ms BAKER** - That is not our intention. What we have done recently in the business is establish a contact centre network. In the event that shop business and service centre business decline, our immediate plan is to repurpose the customer service staff in those centres to answer inbound calls from government. We have run a project over the last two years to establish an integrated contact centre within Service Tasmania. We are slowly going through a process to migrate call centres from agencies into the Service Tasmania business. Our immediate priority is to repurpose customer service staff in those physical service centres answering inbound calls rather than to reduce FTEs. That is not our intention.

**Mrs ARMITAGE** - It must be a very difficult job in Service Tasmania?

**Ms BAKER** - Yes, it is.

**Mrs ARMITAGE** - Have you considered, when you have altered the hours, perhaps opening for a couple of hours on the Saturday morning to service those clients who cannot get in on a weekday?

**Ms BAKER** - Yes, we have. Saturday morning trading and after-hours trading is challenging for Service Tasmania for a variety of reasons. One, where we are co-located in another government building and only Service Tasmania has a presence there, workplace health and safety issues present for our staff. Second, the availability of staff within agencies. In the event we have to refer customers through to client agencies for assistance with resolution of issues,

those agency staff obviously are not readily available. Our main priority is to promote and to push people to the online space, where possible, outside of hours rather than extending the face-to-face presence on a weekend.

**Mrs ARMITAGE** - I wonder what the workplace health and safety would be with only having Service Tasmania in there?

**Ms BAKER** - The isolation. Some of our service centres only have one or two people in them. If we were to open, say, at George Town within the George Town Hub, we would have a very large building that is open to the public potentially with only one or two people in there. We do not consider that to be necessarily a safe working environment for those people.

**Mrs ARMITAGE** - Sorry, I was not thinking across every area. I was thinking across perhaps some of the larger and busier transaction areas, particularly Launceston and southern or north-west areas, that might be particularly busy. I did not mean every area, because you said that each office has different opening hours depending on how it operates. Have you considered opening some of the larger and busier Service Tasmania offices on Saturday? If it goes to 4.30 p.m. whether you would close it at 4.00 p.m. and open on a Saturday morning to cater for people who cannot get in on a weekday?

**Ms BAKER** - The main impediment to that is the availability of the client agencies to provide support, which then means our actual service officer offering to the public would be diminished because they would not be able to do everything that they normally could during business hours. That is the main impediment to doing that.

**Mrs ARMITAGE** - Your major customer service would be transactions, I would imagine?

**Ms BAKER** - It is a mix. Financial transactions that are just money-in, money-out are relatively straightforward. But a range of transactions also require referral or a policy decision to be made by the client agency. Some of our transactions require a referral back into the client agency for a decision.

**Mrs ARMITAGE** - So, in other words nothing is going to change in the near future?

**Ms BAKER** - It is not our intention to consider weekend trading or after-hours trading, more of the online push.

**Mr DEAN** - My question relates to Easter Tuesday. I suspect you would have had some complaints in relation that - I would be surprised if you had not because I told about 30 to 40 people at Launceston to complain. They were all lining up for Service Tasmania on Easter Tuesday and a number of people were very vocal and aggressive when they found that the place was shut. Is there any move, Premier, at all to look at that? It is either the publicity around it to let people know. It was a real issue. I suspect it is the same in Hobart and everywhere else. It would not just be the north.

**CHAIR** - It is not just Service Tasmania.

**Mr DEAN** - Service Tasmania is the one I am relating to because we were in that same office, and I was inundated with calls and contacts and so on.

**Ms BAKER** - Easter Tuesday is a public holiday under the State Service Act for state public servants, which is why we were closed. We do make every attempt to advise people about it. Service Tasmania has been closed for the 17 years on Easter Tuesday, so it should not be a new phenomenon for customers. We do make every attempt to advertise it. Our Service Tasmania website is updated with our opening hours; we run newspaper advertisements to let customers know that we will be closed from Good Friday, Easter Monday and Bank Holiday on Tuesday. We make every attempt to inform people, unless there is a change to the State Service Act that did not make that a public holiday. Until then we will be remaining closed on Easter Tuesday. We continue our best endeavours to inform the public of the closure of the service centres on those days.

**Mr DEAN** - We cannot ask for much more than that.

**Mr VALENTINE** - Something raised last year and worth looking at, is liaising with councils as to how you can reduce the number of offices you need to run. Has any more been done about that, especially given the fact there may be employees retiring and leaving Service Tasmania. It might be opportune at various times to look at co-locating with councils.

**Ms RATTRAY** - They have moved out of Scottsdale into other buildings from the council.

**Mr VALENTINE** - It seems to me that both serve the public and it may be an opportunity. It was raised last year and I wonder whether that has been followed through?

**Ms BAKER** - We actively work with a number of local government councils to have typically council services delivered by Service Tasmania rather than the other way around. In our existing business model, agencies outsource their delivery to us. We do not have a model where we outsource our deliveries of their services to another entity. We have partnerships with the Kentish Council, the Dorset Council, George Town Council, Meander Valley, and Northern Midlands, where we deliver their services through Service Tasmania. When we left the council chambers at Dorset that was the trigger for the council to partner with Service Tasmania, for their services to be delivered through the new Scottsdale LINC that we are part of.

We are active in that local government area but the model very much works on the basis of Service Tasmania delivering the services rather than the council being an outsource model of Service Tasmania.

**Mr VALENTINE** - I was not suggesting it be outsourced to council, I was thinking of co-location. Where Service Tasmania staff work in a council building, for instance. I was thinking it might have been a model to look at. I have not had discussion with the Hobart City Council but it seems a bit ridiculous that you have two service centres like Hobart City Council service centre and you have Service Tasmania up the road. They could be in one spot.

**CHAIR** - Co-locating with some LINC's for instance.

**Ms BAKER** - Our business model is very much prefaced on the basis that we co-locate with other government service providers where possible. We have very few private rentals. We have some, but they are not by choice. We seek to keep our overhead costs down by co-locating with other government service providers whether that be local government or in most cases recently it has been a partnership with LINC Tasmania and we are in their premises. That provides us the



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opportunity to do additional services with customers who may have low literacy levels or may not be proficient in the online area. We can refer them to some support services in LINC Tasmania.

**Mr VALENTINE** - Thank you.

**Mr DEAN** - On the George Town situation, where you moved out of the council into the new hub building, was that at a greater cost? Are you sharing some of the services there with local government?

**Ms BAKER** - We are still an agent for George Town Council within that George Town hub building. It is a state Government owned asset. We do not pay any rent. There has been no increase as a result of us relocating into that George Town hub building. It has provided a much more contemporary workplace and again provided us the opportunity to refer customers to those LINC services.

**CHAIR** - It might have been a bad move to say that. Next year it will be reallocated.

**Mr DEAN** - Does the George Town Council pay a fee for that service? Is it a percentage on transactions?

**Ms BAKER** - They pay a fee for service. We charge them an amount per transaction that we deliver on their behalf.

**Mr DEAN** - Thank you.

**CHAIR** - Ms Rattray, I believe the Office of Parliamentary Counsel is in the Chamber now - Robyn Webb is here.

**Ms RATTRAY** - Marked-up versions. How are we going with implementing that?

**Ms WEBB** - There is a problem with our current system.

**Ms RATTRAY** - There was a problem last year and we were going to fix it.

**Ms WEBB** - Yes, that is right. We are instituting the process of upgrading the system over the next 12 to 18 months. We will be looking into what we can do to make our mark-ups more reliable. The problem is we produce a version of mark-up but sometimes, in order to be able to generate the bill, we have to doctor the original document drop-out text. What you would see if there were a mark-up would not reflect the law as it stands, and that is potentially misleading.

**CHAIR** - That is what we wanted in a mark-up, the law plus the changes as a mark-up.

**Ms WEBB** - That is right. It would appear to be in most respects, but it would not be accurate. That would not help.

**Ms RATTRAY** - It is still a work in progress, it would be best to say.

**CHAIR** - It is now a work in progress, is it? It has not been a work in progress until now.

**Mr HODGMAN** - I am advised there is a funding commitment between \$800 000 and \$1 million provided for it to occur.

**CHAIR** - Congratulations, Ms Rattray, you have been asking for this for some time.

**Ms RATTRAY** - I hope I am back here next year, Chair, so I can ask the question about how we are going.

**Mr JOHANNES** - In support of the Premier, there is a major investment in improving and upgrading the ANAC[?] system planned and we will look at this issue as part of that.

**Mr FINCH** - If the money is there, allocated and available, will it take 18 months to effect what I would think would be an easier process than one taking 18 months?

**Mr JOHANNES** - Mr Finch, Robyn can add, there are a number of upgrades the system requires in order for it to be a stable, dependable system that is contemporary with other jurisdictions'. It is not just one change we are looking to make. Given how important this system is, it is absolutely essential it is stable throughout its redevelopment because we cannot afford it to fall over.

**Ms RATTRAY** - Okay, well do not let Aurora or TasWater take over any part of it. That would be the main advice.

#### **Output group 4 State service management**

##### **4.1 State Service employment and management -**

**Mr VALENTINE** - You keep talking about reallocation of overhead costs. Is it possible for you to please explain exactly what that is? I understand the concept. What overheads have moved, and why is it so?

**Mr OGLE** - What we are trying to do here, Mr Valentine, is to accurately reflect what the overhead component of each output is costing. Take for example, during the last 12 months DPAC itself has brought Service Tasmania onboard, which came with a corporate overhead component. That meant money to pay for that corporate overhead plus staffing.

**Mr VALENTINE** - Where did that sit before?

**Mr OGLE** - In Sport and Recreation, which came from the old Department of Economic Development which came across. Within DPAC, the majority of that overhead cost and the staffing associated was being borne in output 1.1. You could say that output 1.1 was essentially saying that the cost of the strategic advice was this  $x$  amount of money but it was bearing the cost of corporate staff so it was not, potentially, giving the true cost of what that strategic policy advice was, whereas all the other outputs were not bearing that cost because it was not being spread. You were not getting an accurate picture of the cost of direct staffing and the direct cost of providing the provision of that output plus the corporate support and overhead that went to support that particular activity.

This is very important when you do transfers of activity between departments. It is not just a case of taking all the activity and moving it across. There is also a support element to it which you have to bring with it. DPAC, this year, has gone through two of these exercises. We have had Sport and Recreation come onboard from 1 July last year and we are gearing up for Service Tasmania for 1 July. We are talking about, as the Premier has indicated, our support for FTEs who have come into DPAC, which has increased significantly. Part of that transfer is increased support for the HR branch within the department because it has to support these additional people. We have tried to reflect truly the cost of each output, of the direct activity and the support that it needs from a corporate perspective, whether it is HR, finance, ICT, the whole lot.

**Mr VALENTINE** - I appreciate that explanation because it is not totally clear to a degree. The frustrating thing, as has been mentioned before, is that it changes and you cannot compare from year to year because you get these changes. It makes it difficult. Is the jobs website now upgraded?

**Mr STRONG** - Yes.

**Mr VALENTINE** - It talks about trust money for ongoing development. What trust money are we talking about there? I am interested in what the trust money is.

**Mr STRONG** - Frank might be able to clarify this. My understanding is that costs are associated when jobs are advertised, and agencies pay a cost for the publication of the jobs on the website. They pay back to DPAC. That money is then put into a trust fund, so we have funds going forward to future-proof any maintenance or -

**Mr VALENTINE** - I see.

**Mr STRONG** - Yes. That is how we will fund the maintenance of the jobs website going forward. We do not have to call on the government for appropriations, every three or four years come cap-in-hand.

**Mr VALENTINE** - So you roll this over every year?

**Mr STRONG** - Yes.

**Mr VALENTINE** - It is an interesting model. Maybe departments ought to use it.

**Mr OGLE** - I would add that money was provided by Treasury and rolled over from past years. David is partly right. Additional money was also rolled over from previous years on an allocation from Treasury to upgrade the jobs website. The jobs website was susceptible to attack because it was an old system. It was a proprietary system. We had one person in the whole of the state who could upgrade it, and you can imagine what fees he -

**Mr VALENTINE** - Person-dependent?

**Mr OGLE** - You can imagine what fees he was putting on any maintenance of that job website. It was a security issue. You can imagine if our jobs website was hacked, what that could do to people applying for jobs.

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**Mr VALENTINE** - Do you have any idea of the savings resulting from instituting the e-Recruitment process?

**Mr OGLE** - Our estimated savings on the business case are around \$300 000 per year. A lot of that is about the transaction work in HR areas. For example, if we could make the number of applications photocopied and couriered to selection committees fully electronic, that would save significant amounts of money. It is also an attraction and retention issue because - not for people like me, but probably my daughter - the younger generation uses electronic means for applications. Some research has shown that if we do not provide electronic means, the younger generation are not interested in a paper war. They want to be able to put an application straight into the system -

**Mr VALENTINE** - From their mobile phones.

**Mr OGLE** - In the ideal world, that is where we will have to be in the future. It is an attraction and retention issue, not just a security issue. It is an important project rolling on to the future.

**Mr VALENTINE** - Fair enough. Do you have any mechanisms in place to control consultancies across the state service so that you have a handle on exactly what is being spent on consultancies? Are there controls in place?

**Mr JOHANNES** - Premier, I might take that. Really, it is the responsibility of every agency to monitor its expenditure on consultancies. This Government on coming to government made very clear its expectations for non-essential expenditure and so our expectation is that every agency is reviewing closely how much it spends on all forms of consultancy. Treasury would be able to consolidate and report on that information.

**Mr VALENTINE** - It does not come under this particular line item? See employment and management - but you are talking about managing employees, not funds.

**Mr JOHANNES** - That is right.

**Mr OGLE** - There is an obligation on each agency to report consultancies in their annual reports.

**Mr VALENTINE** - Consultancies and contracts?

**Mr OGLE** - I can only talk about consultancies but it is consultancies over \$50 000 have to be reported in the annual report.

**Mr VALENTINE** - I remember quite often in the past when consultancies were reported up. Contracts such as with GITC and those sorts of things that go outside the department were not necessarily incorporated under the heading of consultancies.

**Mr OGLE** - It is all under the heading of consultancies.

**Mr VALENTINE** - Are you managing to standardise HR systems and email systems yet? I suppose the he email one is to do with Mr Ferguson? I have to try to get a handle on what this area deals with. HR systems.

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**Mr OGLE** - HR systems. Most agencies employ the one system called Empower for HR systems. We are developing a business case to better integrate those HR systems. As they exist at the moment, I think there are 12 databases even though it is the one product.

That project is about looking at whether we can put forward a business case with the proper efficiencies that would make that not just a better use of resources, but better reporting. As you would appreciate, an HR system is not just about payroll and staffing. It is about a module of work health and safety, training and development.

That is being looked at but until the business case can be proven and stacked up, we cannot go forward and really it is a matter of agencies seeing the business case and TMD approving the business case to make sure that it stacks up in terms of worthwhile exercise.

**Ms BURTON** - Mr Valentine, to answer your question on email, there is one email system across Government now. We bundled up all of the agency emails into one system which is run out of TMD. It is a major win.

**Mr VALENTINE** - That is a win.

**Ms BURTON** - Compared to other jurisdictions that have failed miserably, it is a bit of a feather in our cap.

**Mr VALENTINE** - That sounds good. I am looking at HR systems and thinking if you have 12 iterations of that same product, there must be efficiencies by bringing them all together and having them supported.

**Mr OGLE** - It does cost.

**Mr VALENTINE** - I understand it costs. It would cost less if people were less -

**Mr JOHANNES** - Mr Valentine, you need to be incredibly careful, particularly when you deal with systems in your former employer's department; HR systems and Health are ones that you want to make sure you are very careful about.

**Mr VALENTINE** - I understand that entirely. It is not an easy situation, I understand that. I am always interested in seeing what progress we can make. Does this particular line item handle unattached lists?

**Mr OGLE** - 'Unattached lists' is euphemism.

**Mr VALENTINE** - They used to be called unattached lists. I do not know what they are called now.

**Mr OGLE** - It is a euphemism for what we would call our vacancy control system. Under the old system, the system before 2000 it was called an unattached list.

If you really want to get technical, that is really the section 47 redeployment list, on which we have had none. We have been running vacancy control with people in identified positions and trying to redeploy them through across agencies or within agencies.

**Mr VALENTINE** - That is prior to the six months, is it? Isn't there a six-month window?

**Mr OGLE** - Six months is a section 47 declaration but we have not had any of those.

**Mr VALENTINE** - You haven't had any of those?

**Mr JOHANNES** - No-one has been declared under section 47.

**Mr VALENTINE** - That answers my question as to how many. How many are reassigned? That will be a question that you might be able to answer. While you say you have not had any unattached, how many have been reassigned as a result of their job ceasing to exist, but another job found for them in another government department as a result of the vacancy occurring?

**Mr JOHANNES** - A number of people within agencies have been reassigned, including in my own agency. But in regard to the central vacancy control process, which tends to happen when an agency says, 'I have tried to find an alternative place for this particular person within my agency, but I am having troubles with that, can we have a look across other agencies', there have been 36 people through that process.

**Mr OGLE** - The success of vacancy control is within agencies. It is the internal vacancy management. It is also important to note, the Government gave us the tools through incentive programs, such as workforce renewal incentive programs and redundancy programs. It has been a suite of tools that have enabled us to manage people in identified positions, or where their position has become surplus. Through all those tools we have been able to either voluntarily manage people who wanted to exit the state service, or we have been able to redeploy people across agencies but the vast majority are within agencies. That is where the major success is.

**Mr VALENTINE** - Why is the Training Consortium target lower for 2015-16? For some reason, this is a lower target. I would have thought that the Training Consortium would be -

**Mr OGLE** - The Training Consortium - a lot of its revenue came from what is called the Public Sector Management Program. We used to administer that through the Training Consortium. The Public Sector Management Program is a combined Australian public service, local Government, and state jurisdictional program, that is run. They have to tender through normal tendering processes. The University of Queensland won that tender. Therefore we have had to phase out the role of the Training Consortium.

The University of Queensland will run the administration of that program. That attributes to about \$380 000 worth of revenue. Agencies still have to pay it. They pay it to Queensland but it is not our program. We used to administer it for the across-jurisdictional programs.

**Mr VALENTINE** - Do they deliver it out of the state?

**Mr OGLE** - No, they still deliver it for us within Tasmania. Interestingly, this year we had a combined Victorian/Tasmanian program. There was a graduation on Friday where 30 students graduated. While a lot goes from Tasmania, and Victoria run our programs, this was one instance where we ran the program for people out of the Victorian public sector. We had eight graduates from Victoria from the Public Sector Management Program.

**Mr VALENTINE** - It seems strange that Queensland can deliver this cheaper than we can.

**Mr OGLE** - It is a university that runs it. It is the administration of the program. They tender it on the basis that they would administer the program and run it. It is still run in Tasmania and people in Tasmania can still apply for the Public Sector Management Program, but this is the administration of it. Their tender won because it was at a reduced cost.

**Mr VALENTINE** - The presenters or deliverers of this training are still Tasmanians for the most part? Was that not the case before?

**Mr OGLE** - That was not the case before in many instances. It was run on the behalf of Flinders. There is a person by the name of Tim Wootton who had run this program for 20 years, an expert in public sector management programs, but Queensland taking over. They will gather their people to run their programs from wherever they can get them. They have to be accredited people.

**Mr VALENTINE** - Obviously there is a standard to be kept up.

**Mr OGLE** - It is a graduate certificate, so it still has to have those -

**Mr VALENTINE** - Do you have contracts or agreements that make sure you keep that level of expertise?

**Mr OGLE** - Absolutely. It is a fairly bulky contract with all jurisdictions - local government, state government and federal government - with the University of Queensland.

**Mr VALENTINE** - How long does that agreement run out to?

**Mr OGLE** - I do not have it in front of me, but normally those agreements are for three years.

Can I answer the question posed before about ANZSOC? I have the answer for you. We have \$120 000 in that scholarship program; this year we have had three individual scholarships. We also decided, as a cost-effective measure, to bring one of the key lecturers from ANZSOC to Tasmania to run a program on change management, and that attracted 50 people from the State Service.

**Mr VALENTINE** - You would get plenty of exercise here with change management. There is a lot of change.

**Mr OGLE** - Everywhere. Also, before that final figure, we actually programmed another event which ANZSOC is going to run in July for us. We try to spread the money as best we can.

In September this year DPAC and the Department of Police and Emergency Management, which has a certificate-accredited management program, will run a joint management training program. We negotiated and contributed to that program from the scholarship fund, but Commissioner Hind agreed to open that up to 10 State Service managers and 14 police managers. That will give the police people a graduate certificate in police studies. Some of our expenditure from this scholarship fund has been to get a public sector graduate certificate accredited at the

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University of Tasmania. That is a new initiative of ours. It has benefits both ways, for police because they will be exposed to the State Service, hopefully from every agency, and vice versa.

**Mr VALENTINE** - You could extend it to Parliament, we have two here already.

**Mr OGLE** - We will run it out of the academy; it will be voluntary residential out of the academy, so the costs are cut quite considerably. People can stay at the luxurious accommodation of the academy.

**Mr VALENTINE** - Thanks very much for that, I appreciate those answers.

**CHAIR** - Ms Rattray, you had a question?

**Ms RATTRAY** - Premier, when will there be a review of the whole State Service? It is something that has been talked about, particularly in our House, a number of times over the last 12 months.

**Mr HODGMAN** - The State Service Act, do you mean?

**Ms RATTRAY** - No, the State Service.

**Mr HODGMAN** - It is under constant review. We have just been through -

**Ms RATTRAY** - A whole of State Service review?

**Mr HODGMAN** - Yes.

**CHAIR** - We have actually been talking for the last 12 months about the fact you gave each agency or each department a percentage and told them to make to this budget cut. We have been suggesting that we ought to look, not at the people and not cutting a percentage off each department, but looking at what services might no longer be needed, what services might be able to be outsourced. Having a look at the whole of the public service, to see whether you can make savings without -

**Mr HODGMAN** - We have been doing that; all agencies have been contributing to that over the last year as we restructure the workforce.

**Ms RATTRAY** - They have been looking within at within. What about looking within from without, from outside? That is the model that our House has looked at and discussed on a number of occasions. Your view, please, Premier.

**Mr HODGMAN** - As I say, over the last year we have been doing a lot to restructure the public service, the principal aim being to get it to a size we can afford.

[6.00 p.m.]

**Ms RATTRAY** - Do we not want a public service that is fit for purpose and delivers the expectations of what this state can manage? Is that not what we need?

**Mr HODGMAN** - Fit for purpose implicitly includes what we can afford. It is not fit for purpose if you are funding something unsustainably.



**Mr OGLE** - May I give an example I think is important. Historically, agencies have operated in silos. I can give you a recent example - the Premier's announcement on domestic violence. That is whole-of-government. Through negotiation or volunteering of a number of agencies, Police, Justice, Health and Education have all contributed to that initiative. That is the new way, if you like. ICT is another example where there is a cross-agency contribution. Rather than seeing things in silos, we now work together. There is a deputy secretary's ICT group.

**Mr HODGMAN** - Our restructure of the Department of State Growth brings all those agencies together, frequently meeting via ministers through a Cabinet subcommittee. It requires more of us, as ministers, to be across areas that do not directly come under our portfolio responsibility. It is improving the lines of communication and creating greater focus in a collaborative fashion on areas where we are implementing reform. We are not closed at all to that idea and I am not dismissing it. In a number of respects it is happening. It may not be happening exactly as you propose, but we have taken significant steps in the last year on a couple of fronts to do that.

**CHAIR** - There were two things we were particularly concerned about. One is that if you cut a percentage of the workforce then, without looking at what services need to be delivered by the State Service, are you asking fewer people to do the same work? That means you are increasing their workload and possibly increasing their stress levels. The other was the thing Mr Valentine constantly refers to - corporate knowledge going out the door, because sometimes the people who go are the ones who take the most corporate knowledge with them. That is why we were suggesting you avoid that by looking holistically at what needs to be delivered.

**Mr JOHANNES** - I might contribute a couple of points. The first is to make clear that the State Service now is operating very differently in terms of stewardship and leadership from how it was 18 or 24 months ago. All heads of agency now meet every three weeks without fail. The role of that group is to provide stewardship and leadership of the service, not to have a collection of individual agencies coming along and talking about what is going on within their agency. The advice the Government was given on issues like budget savings has reflected a whole-of-government approach from around that table, as opposed to every individual agency going off and doing their own thing.

**Ms RATTRAY** - It is still agencies and people within agencies assessing what is happening within that agency, whether you do it in one department or right across government. I am talking about having an external person or organisation coming in and reviewing all the operations. That is what I believed the House was looking at.

**Mr VALENTINE** - It has been suggested three or four times in the House in presentations on different bills and things that the Productivity Commission could have an holistic look at the services being delivered by the state and possibly come up with a model that is more efficient and effective. The number of FTEs required to deliver certain services is not a trivial exercise. We are talking about a major exercise here. We are talking about quite a significant amount of money, I am sure. There could be real benefit in doing that, as opposed to continually trying to cut the cloth to suit the budget, so to speak.

It is this holistic review of the State Service to come up with a model that may work better. If you take the budget process here, where we are going backwards and forwards following stuff, wouldn't it be great if there were ministers in charge of this many services, all in one spot, rather

than having this chopping and changing. That is the principle. The Productivity Commission or some organisation with equal standing having a really good look.

**Ms RATTRAY** - That would be for the government of the day to make a choice about who does that type of thing. I am interested in your view.

**Mr HODGMAN** - Our immediate task was to put the budget onto a sustainable position. I understand that in an ideal world you wipe the slate clean and go back to square one.

**Mrs ARMITAGE** - I did not mean to take everybody out and try to put them back in. Look at what we do and what services we provide as a state to our communities.

**Mr HODGMAN** - What we have done in restructuring the financial basis for our public service has required a much different collaborative approach by ministers and agencies. It has required a very deliberate inquiry into what agencies do and what they may not need to do so pressingly. It has not forcibly required anyone to depart the public service, so if they have gone with corporate knowledge then that is part of the process of managing your workforce. On the flip side, a lot of what we have done has allowed for renewal and refreshment in the public sector, with agencies determining the best fit. To be blunt, I would rather agencies undertake that ongoing work, and as they do then bring in from high a group such as the Productivity Commission - depending on how long.

**Ms RATTRAY** - Do you think agencies can be objective enough to say we can no longer provide that service, or we can no longer do that in a cost-effective manner?

**Mr HODGMAN** - I believe they are far more attuned to those concepts now than they might have been in recent years, as a result of a significant change in culture and direction for the Government. It can be said of any government that you always like to have more available to do what you like. What is a reasonable expectation about what we can deliver? You will never get uniform agreement on that. It is the job of the Government, and ministers who bear ultimate responsibility and accountability, for this to work with our agencies. We are bringing them a lot more closely together and also holding them accountable for bringing about these changes. We will be judged on the results.

**Ms RATTRAY** - I can assume there will be no full review undertaken in the near future.

**CHAIR** - I think the Treasurer did say a year ago that we needed to do this now.

**Ms RATTRAY** - That is why I said in the 'near future'.

**Mr DEAN** - The police department, Mr Ogle, would have been a part of it in the early 1990s. They went through Project Baton, where they virtually threw the organisation up in the air and said, let's look at what we should do, what we should not do, and at our core responsibilities. Let's get rid of the rest and start again.

**CHAIR** - Did they do that internally?

**Mr DEAN** - Internally and externally. They had external people on board as well. They had quick wins on the way through where they picked up and made changes immediately they were identified. They were called 'quick wins' and then at the end they had the reorganisation.

**Mr JOHANNES** - Mr Dean, my true belief is that every agency has gone through a process similar to that over the last 12 to 14 months, having a serious look at what is and is not core business and how best to deliver the services the Government expects. You have relatively independent central agencies in Premier and Cabinet and Treasury that also provide advice to Government, independent of individual agencies, on where they see opportunities for change.

**Mr DEAN** - The problem is that unless you have somebody externally involved in some of these things, it is a case of a lot of people protecting their own positions and what they do. That is why you need some external input into some of these processes.

**CHAIR** - I think we have made the point.

Premier, I want to ask you a question which I said last year I would. I draw your attention again to the report of the Auditor-General in report number 2 of 2014-15 which talked about public sector productivity and the Department of Premier and Cabinet. It was a number of departments. There was a table of public sector productivity, a 10-year comparison. There were three recommendations made by the Auditor-General, one of which had not been carried out by any public service department, which was recommendation number 3, to publish five-year reviews of changes in service delivery and employee costs. I asked you did you intend to do something about that, and you said, 'Yes, we are going to look very closely at the recommendations and take them into account.' I said I would ask you again this year, so I am asking.

**Mr HODGMAN** - I am able to provide an update on that matter via Mr Philip Foulston.

**Mr JOHANNES** - Mr Foulston is the Director of Executive Division within the Department of Premier and Cabinet.

**Mr HODGMAN** - In relation to my department, I can advise that it has a process of continuing to review its performance indicators, and in recent times work has been undertaken in developing reasonable and informative indicators of quality and efficiency for the policy work that DPAC undertakes. With the transfer of Sport and Recreation Tasmania in July 2014 and Service Tasmania operations in July 2015, the policy emphasis of the department has expanded to include a strong focus on service delivery.

The department is finalising its 2015 to 2018 strategic plan, which will require the recasting of key performance indicators to better reflect the scope of the work now being undertaken by the department. I note that a number of agencies raised concerns about the over simplification of measures and methodology as proposed by the Auditor-General. However, they recognise the value of performance indicators in line with the recommendations.

Agencies recognise the need to enhance performance indicators, either locally or through national benchmarking, such as some that are used by the Department of Health and Human Services. However, the diversity of activities in some organisations made it difficult to measure aggregated service delivery, for example, in the Department of Justice.

**Mr JOHANNES** - I can confirm that I meet regularly with the Auditor-General. This is an active topic of conversation between me and the Auditor-General. He also comes at least twice a year to meet with all heads of agencies. The last time that happened was, from memory, in the

last four weeks. This issue was on the agenda. We are working actively with the Auditor General.

**CHAIR** - Terrific. That is what I wanted to hear, that you are following up on the recommendations.

**Mr DEAN** - I have one question in relation to family violence leave, Premier. Is that going to be considered across the State Service? It is starting now to become an issue across most work areas. I absolutely endorse what you are doing in relation to family violence. I have been very vocal about our position on family violence. We have not done enough. Are we going to look at family violence leave across the State Service area?

**Mr HODGMAN** - Yes. Without re-stating the obvious, it is our shared objective as a Parliament and as a community to tackle this issue. On behalf of the state Government I am taking that leadership position. It is an example again of not only better coordinating the efforts of all agencies, engaging with the community more broadly, setting leadership via what we do as a Government. It is already in place that our State Service employees are supported to access through personal leave entitlements for family violence-related matters of up to a month or 20 days. We have seen not only the public service take an appropriate response to this matter, which it has done for some time, as far back as 2012, under an employment direction issued by the former government. Blundstone recently demonstrated great leadership as a private sector organisation and we believe that the same leadership can be potentially be extended across other government businesses and state authorities.

I have written to each of them today, to encourage them to give consideration to offering similar arrangements and adopting policies that would allow their workers leave associated with family violence matters.

It is important for them to be able to make that decision as they see fit and in accordance with their own arrangements. Given the very strong sentiment that exists within the broader community that has been demonstrated by the public sector, is now becoming more apparent in the private sector, noting that workplaces can often become a safe haven for victims of family violence. Appropriate and reasonably provided service and entitlements that can be provided to those who suffer family violence, such as legal, financial, child care, housing or other matters, can also provide great stability for those individuals and can serve as a very practical response to this appalling incidence of family violence and government businesses are no different from any other workplace.

I have written to them today and look forward to a positive response.

**Mr DEAN** - That is to all departments, is it?

**Mr HODGMAN** - All government businesses, enterprises and state authorities. Already the arrangements I have identified exist within the general state sector, across agencies, but this would extend that provision to government business enterprises as well.

**Mr JOHANNES** - Premier, I might supplement that. There is one exception to that which Mr Dean might be aware of. Under the Police Service Act, it is completely different legislation. Police are not currently able to avail themselves of the arrangement for state servants as strictly

speaking they are not. This is something that I can advise the commissioner is actively looking at within the police service.

**Mr DEAN** - Your letter to the GBEs, the departments and the SOCs is along the line that it is your Government's policy position that leave will be provided to family violence situations, up to 20 days, is it? Is that over and above any other leave that they are entitled to, that is, sick leave, holiday leave or any other leave?

**Mr OGLE** - The actual deduction comes out of their personal leave. However, I would make the strong point that the employment direction and the advice to agencies is that if you do not have personal leave, then this is to be applied flexibly. The other point is, you would probably recognise that in extreme cases, people might have to go offshore or go into a secure environment and agencies have been advised through the employment direction that they have to be flexible in the way they approach this. While we use the personal leave where it is deducted from, there is also great flexibility in how we approach this.

**Mr DEAN** - I obviously got Blundstone wrong. I thought that Blundstone's position was that anyone involved in family violence would be entitled to, through their system, special leave in the circumstances, whilst they were in that position. I don't know what the days were now, I cannot remember. There was no indication to me that would come out of their annual leave or long service leave or what have you. I thought it was -

**Mr OGLE** - It is out of personal leave, which is out of sick leave and carer's leave, not out of annual leave.

**Mr JOHANNES** - It does not come at the expense of their long service leave. It does not come from the recreation leave. It comes from a completely different category.

**Mr DEAN** - Right. I am sorry, I misinterpreted that.

**Mr OGLE** - One of the reasons we did that is, our advice from the University of New South Wales was that people find it very difficult to put in applications that identify domestic violence leave and after consideration of that, it was thought it was better to take it out of their personal leave. Even now while we encourage people to identify, there is a strong resistance to do that. We are very mindful of the privacy associated with such issues.

**Mr DEAN** - That was my next question. What will be the terms and conditions around it? People don't to identify that we are in that position. Many are. However, is there a criteria around that that the matter must be reported to the police if they are the subject of violence? To get that leave, will they have had to report the incident to police, or is it simply a self-reporting situation without any other action being taken?

**Mr OGLE** - Our responsibilities to the employees and our focus has been on those employees. As the Premier mentioned, work can be a safe haven. A lot of our approach was to put mandatory training in for our managers. Not to resolve these issues because you need special skills but more so know where to go and how to deal with people and how to support people.

**Mr JOHANNES** - In answer to your question, Mr Dean, an individual who wishes to take personal leave for the purposes of dealing with a family violence situation does not have to

present their manager with a police report to provide evidence that they are in a family violence situation.

**Mr DEAN** - It is a touchy situation because we are trying to stamp this out but if we don't know about it then there is not a lot we can do about it. You have the serial male -in most cases - 99 per cent of the time - who simply moves from family to family to family and they behave in a similar way. This would have been a way of trying to get on top of some of that.

**Mr HODGMAN** - I understand very clearly the sensitivities around it. In some respects, whilst you are right, it can often not be something that comes to peoples' attention necessarily or can be adequately be dealt with by the agency in terms of the law enforcement authorities, it can, importantly, and this is the evidence from experience in other jurisdictions, provide an opportunity and way for people to be properly assisted as a result of behaviours that previously were not covered or recognised under employment directions that exist. It won't address all those issues, nor will it deal with what are very complex and volatile and often dangerous situations for the people involved. It is one additional way that an employer can provide further to support to those in need in a very difficult period.

**CHAIR** - Mr Dean might be referring to the fact that is not enough to give them time off. You want to help them through a situation and giving them time off is not necessarily enough.

**Mr HODGMAN** - A large part of the campaign to address this issue asks of people to speak out when you hear or see something.

**CHAIR** - To get counselling, or to go to the police, or any of those things.

**Mr HODGMAN** - There is training and assistance provided to public servants, most notably in the police service and other agencies, who directly deal with reporting, either directly or incidentally.

**Mr DEAN** - With my background, I have been very aware of what is happening up there and having witnessed family violence at very high levels, I take a strong view of it.

### **Output group 5**

#### **Security and emergency management**

##### **5.1 Security and emergency management -**

**Mr DEAN** - A couple of questions there. Are all the issues concerning the psychological management of the Dunalley bushfire situation finalised, or are there still ongoing cases that are being managed?

**Mr JOHANNES** - This is Simon Roberts, the Director of the Office of Security and Emergency Management - for the purpose of *Hansard*.

**Mr ROBERTS** - In relation to the Dunalley fires, there is still somewhere between \$350 000 and \$400 000 left in the Red Cross Appeal. The start, the Sorell-Tasman Affected Area Recovery Committee has asked us to hold onto that until they can identify some significant long-term projects. We are going to go through that process in January.

**CHAIR** - And it is accumulating interest?

**Mr ROBERTS** - Yes, it is accumulating interest. It is not in our hands. It is in the hands of the Red Cross, yes.

**Mr DEAN** - Currently are there any people still on the list who are receiving psychological treatment and so on as a result of those fires?

**Mr ROBERTS** - Not on the state Government lists. They have all been handed back to NGOs at this stage, is my understanding. Conversations with the Department of Health and Human Services - in the 2013-14 financial year there was still some ongoing counselling taking place, and that amounted to the value of somewhere around \$240 000 worth of personal counselling in relation to the fires. I believe that has come to an end now.

**Mr DEAN** - The only other question was, the Office of Security and Emergency Management covers security and state security as well. So are there any emerging situations there, Premier? Any changes? Any further areas that you are looking at, emerging issues? The general security, state security?

**Mr HODGMAN** - Yes. The secretary was just reminding me of work that is being done at a national level. Needless to say, with changes to legislation that is being proposed, changes to systems that exist across jurisdictions to deal with these matters and any emerging threats which are well-known to us all - I have said before on regular occasions that I receive a monthly update from our agencies about any emerging risks to ensure that we are well abreast of those and there are not any, I am happy to inform. Needless to say, on a higher national level - security threats, our agencies and through DPAC also through this unit, are remaining vigilant and very in tune with what is happening here as well as abroad. Tasmania being at no less of a threat of course necessarily or potentially. Our circumstances are indeed a little different to other jurisdictions.

**Mr JOHANNES** - To reinforce the Premier's point about the very act of engagement, particularly through COAG on a coordinated national approach to counter-terrorism and dealing with the higher level of threat that is perceived in Australia. So through Simon's work with OSEM and DPAC coordinates work across Government to make sure that the Government gets contemporary and regular advice, but there are no specific new threats that we are aware of.

**Mr DEAN** - There is no-one from this state who has left the country to go to ISIS or Syria or Iraq, or any of those areas that we are aware of?

**Mr JOHANNES** - Not that I am aware of.

**Mr HODGMAN** - We have not been advised of any such occurrence.

**Mr FINCH** - I only wanted to say that we are in a shocking situation. Because of the new security measures we actually have to walk an extra 100 metres to come into work and to leave. Hopefully the measures are reconsidered soon.

**Mr HODGMAN** - There were responses quite immediately to recent incidents to our security arrangements here and the Executive Building and other public buildings, appropriately so. Those audits have all been completed and changes implemented where appropriate, at the risk

of inconveniencing anyone. It is important that our safety and that of the broader community is maintained.

**Mr VALENTINE** - There was one question on the radio system, I think, for the emergency management area. What is the status of all of that?

[6.30 p.m.]

**Ms BURTON** - Having only been involved with it for 17 years, I can probably bring a bit of information to the table. The project is being run out of Police. There is greater engagement across the Emergency Management agencies. I know the commissioner came up recently with an interoperability technology that allows radios to speak to each other but, as Mr Valentine would be aware, they are on different frequencies. The objective of the steering committee now, chaired by the deputy commissioner of Police, is to implement a new mobile radio network. That time frame is over the next five years.

**Mr VALENTINE** - That is for all services, not just for police and emergency services? It is fire and ambulance?

**Ms BURTON** - Correct. Both heads of those agencies sit on the steering committee.

**Mr VALENTINE** - I missed the delivery time.

**Ms BURTON** - It is 2020.

## **Output group 6**

### **Community, sport and recreation**

#### **6.1 Community development**

##### **Policy advice and ongoing community development -**

**Mr FINCH** - We have been down this path earlier today. On page 185 we have the figures and on the surface we see a bit of an increase but when you read note 5 on page 188 things become a bit murky. There is the jump from \$6.351 million this year to \$9.688 million. It appears to be an increase but we have this combination of the Community Development policy advice and ongoing Community Development. We also have a change with the women's program - transfer of funds for Output 6.5, women's policy. That is why I say it is a bit murky to get my head around the detail that is exposed in these figures and in the note.

**Mr STRONG** - What has happened with the reorganisation of Community Development as it pre-existed and bringing Sport and Recreation into the department, there was a reallocation of staffing out of that. Output 6.4 was funding the staff in the TIS and the Silverdome but as part of that merger of Sport and Recreation into DPAC there were other employees within Sport and Recreation but those staff have been transferred into the broader reorganisation of CSRT to get efficiencies. With the movement of those staff, they have been moved from 6.4 into 6.1, and when you move staff you have to move the salary costs and the budget with that and that is what has occurred. It is about \$3 million and that is why you see that increase. There has been a withdrawal of money out of that to create Output 6.5, women's policy, and there will be grants and time-limited collection commitments in there as well but that basically explains the increase in the funding in 6.1.



**Mr HODGMAN** - Can I take the opportunity to table the Service Tasmania establishment information, which did not happen earlier. It details the number of staff contained in each of the Service Tasmania outlets.

### 6.3 Veterans Affairs -

**CHAIR** - We all know that has been a big budget item this year and will continue to be for the next year. I do not have any argument with that, except to say it has been tremendous during this financial year with all the support that has been given to the RSL and returned soldiers generally and the general community getting a better understanding of Anzac. A lot of capital works have been done. In my own area, for instance, the War Memorial at Claremont, which is now on the foreshore, they have been trying to get the funding for that for six or seven years. This was an opportunity, because of the Commonwealth grants, to get that built. I am sure there are many communities around the state that have benefited from it in that way.

**Mr DEAN** - How far has the funding for the bridge progressed and at what stage is it? What will it do?

**Mr HODGMAN** - Funding has been committed by the federal government. It was a project

-

**Mr DEAN** - All of it? The lot?

**Mr HODGMAN** - Yes, \$8 million. We had to make provision for that to underwrite the commitment and that was due to budget -

**CHAIR** - It is actually being spent now, but you are not going to get it from the federal government for some time?

**Mr HODGMAN** - That is right. We will recoup that. They have guaranteed that and it will construct a pedestrian walkway linking the Cenotaph in Hobart to the Soldiers Memorial Avenue. It comes out of a national funding package. Needless to say it was quite a significant federal government commitment to infrastructure projects around the country commemorating the centenary of Anzac and World War I. This is one of those projects being delivered here in Tasmania. It will be the Anzac Centenary Public Fund. It will be made available and payable over the next three financial years.

**CHAIR** - When do you expect to get that back?

**Mr HODGMAN** - In 2018-19.

**CHAIR** - You should have a plus there then. It will cost \$354 000 but we will actually get \$8 million? It should be a credit, not a deficit.

**Mr BULLARD** - There is \$8 million committed over the forward Estimates, over our forward Estimates. That is the amount that we will recoup from the Commonwealth at the end. It is budget neutral eventually, but it does cost us and that is because the Commonwealth does not currently have the ability to cash-flow the project.

**CHAIR** - I understand, but this is spending for us, over these three years.

**Mr BULLARD** - That is right.

**CHAIR** - In the following year when you get it back you should actually have \$8 million. Instead of it costing \$354 000 for Veterans' Affairs that year, it should be \$8 million less \$354 000. It will just go into consolidated revenue.

**Mr HODGMAN** - Yes, it comes in as an input.

**CHAIR** - It will be somewhere as an input obviously, as a repayment.

**Mr BULLARD** - Yes.

**Mr DEAN** - Right, thank you for that. It makes sense. The other one I had, and I read on page 179: 'There is also ongoing liaison with ex-service organisations including administration of a Grant Deed with the Returned and Services League of Australia, Tasmania Branch.' What is the position there? How much? What does that entail?

The reason I ask questions here is, we have RSL Clubs that have been seeking support from the Tasmania Branch and it has not been coming.

**Mr HODGMAN** - Needless to say, as an important peak body, not just this year but every year, it is one that receives \$200 000 per year from the state government to assist with the delivery of its core services.

There is a grant deed that has key performance indicators attached to it, as they generally do. That includes maintaining the RSL's membership database, corporate planning targets, administrative support, financial assistance and training for sub-branches, development of an effective online presence including the use of social media, and development and implementation of a marketing strategy.

The current level of funding also implements an election commitment of ours to increase funding to the RSL from \$100 000 to \$200 000 from 2014-15 to 2016-17. The grant deed to the RSL includes the additional \$20 million which we committed to our pilot employment program for returning service personnel. If there are any concerns as to the acquittal of those obligations under the grant deed from any clubs we would be interested to hear about them. I am not aware of any directly, which is not to say there are not concerns, but either through myself or my parliamentary secretary, Guy Barnett, we would be interested to hear that and take it up with the RSL directly.

**Mr DEAN** - A number of RSL clubs are in difficulty around the state. We know that George Town closed and the building is up for sale, a tragedy for the George Town area, and Burnie currently closed. A couple of others are running very close to the wire. I realise the state cannot bail the RSLs out. I raise the question of what support the state can suggest or offer to these RSLs. Whether they be low interest loans or what, I do not know.

**Mr HODGMAN** - That may be something we could consider. We have made significant additional commitments to the RSL to alleviate some of the practice demands on individual clubs and sub-branches through capital works grants and assisting them to do their core business with the support of their peak body. The grant deed I referred to specifically and explicitly and as

priority, seeks to encourage an active maintenance of the RSL membership which will be, and is, one of the most critical things to ensuring long term sustainability for these clubs, to make sure that people are members and engaged, including in commercial activities. There has been a lot of discussion with the RSL and clubs about how that best can be done in their own patch. It is a major issue for us as a community and it will not be possible for any governments to bail clubs out.

**Mr DEAN** - I had ongoing talks with Guy in relation to the RSL at George Town. The amount they were in debt was a relatively minor amount of money. It was around the \$200 000 mark that has been made public. It is not something I am disclosing. I was chairing the House and Finance Committee at the time, trying to get it out of difficulty. It was a moderately small amount of money and the building is up for sale at the present time. Low interest loans may have been the answer.

**Ms RATTRAY** - Following on from the member for Windermere's question, can we have a list of the number of business plans that the RSL assisted with for the organisations? That was what that money was predominately going to be used for, from my information from last year. I am sure there is a list of business plans or strategic plans that have been supported around the state with those funds.

**Mr HODGMAN** - Held by the RSL.

**Ms RATTRAY** - Can we access that? I am sure when we are providing state funds.

**CHAIR** - Some of that revenue paid for it. They must have had an acquittal process. You would not have given them the money.

**Ms RATTRAY** - That was what the money was to be used for in the last year.

**Ms SHUTEN** - I work in the Veteran Affairs area of Premier and Cabinet. The agreement with the RSL talks about the central body working with sub-branches to do their strategic planning. We do not ask them to tell us how many strategic plans they have done but I can ask them to do that.

**Ms RATTRAY** - I am sure that is what a lot of those organisations need, assistance with putting together a business plan/strategic plan so they can move forward and not end up in the dire situation that George Town and Burnie have.

**CHAIR** - It would be normal for any grants that you give. Surely, you would ask for an acquittal at the end? We are not asking for something that is unusual. The RSL should be no different to anybody else. If we give them public money they would let us know how they would spend that money, one presumes.

**Ms RATTRAY** - It would all be audited.

**CHAIR** - So you have that?

**Ms SHUTEN** - Yes. They report to us every year on how they have spent the money. Whether they have given us the number of strategic plans they have supported, they probably have not given me that. I can ask that.

**Mr DEAN** - The support of the Government here to the Western Front on Anzac Day periods will still be similar to what it has always been, supporting the Frank McDonald Program?

**Mr HODGMAN** - Yes. It is budgeted, it is a great program.

**Capital investment program -**

**CHAIR** - We will go onto capital investment. Are there any questions about the capital investment program which is \$799 000 in the current year and goes to \$256 000.

**Mr VALENTINE** - The integrated Tasmanian Government Contact Centre, is this the old telephone centre?

**Mr JOHANNES** - This is the project Kathy Baker from Service Tasmania was speaking about, bringing contact centres from across government together instead of having 100 one-stop shops.

**Mr VALENTINE** - That is okay.

**Grants and subsidies -**

**CHAIR** - Premier, I do not have a line item but it should say grants and subsidies. There are a couple of things we would like to ask there. One would be the Tasmanian Community Fund, as is there. This might be the place where we could ask you about the Premier's Discretionary Fund because I have not seen where else we can ask you about that. Where could we have asked that?

**A witness** - 2.1.

**CHAIR** - Management of Government executive process? Okay, I will try to remember that for next year.

**Mr HODGMAN** - The status of the Tasmanian Community Fund is that it is currently managed by an independent six member board. The board has sole discretion in relation to how grants are distributed from the fund, how it is managed. Part of the 2014-15 Budget we announced we were considering future options for the TCF board. We received some feedback about us so doing. It was a useful exercise.

**Mr VALENTINE** - You found out what the community thought about it.

**Mr FINCH** - It was a real reflection through us from our communities of how they felt about the impact that might have occurred on the Tasmanian community.

**Mr HODGMAN** - It was not only from here that I had some feedback. It was not only through you.

**Mr FINCH** - No, I am saying we were a reflection of what the community wanted to say.

**Mr HODGMAN** - Certainly and that was fine, we were quite happy with that.

**CHAIR** - I have to say there was also good lobbying by the board itself.

**Mr HODGMAN** - I endeavour to engage with all key stakeholders and take feedback including from the board themselves, particularly through Chair Lynn Mason who is by any measure an excellent advocate and very persuasive. We decided the board will remain. Again through consultations and productive consultations with the chair it was agreed we would reduce by one member. Members are paid approximately \$20 000 per annum so the resulting savings of \$60 000 over three years will be reinvested, as we had envisaged any savings would be. That is then to be dispersed into community organisations.

I make the point again without reopening old wounds, it was always our intention to ensure that any public funds available would be expended through the fund itself not to be turned into consolidated revenue or some other surreptitious means of siphoning money that has been well dispersed and gratefully received by many community organisations over a number of years. It was not to say we could not look at other ways of creating efficiencies as we have so proposed. We are now working with the Tasmanian Community Fund to investigate options to allow the fund to accept major gifts and bequests from a broader base that is currently permitted by the fund's governing legislation. Again this is a matter we proactively pursued and came out of the consultations. It is not necessarily simple, I have to say, and there are some hooks attached to such a concept that might be the counterproductive or have unintended consequences.

We are working through each issue which would require legislative change, but could also present other issues for us to contemplate. We will make no such decision as to that until such time as all those issues have been properly canvassed. They have not yet been fully explored by Government. I recently met with Chair Lyn Mason, who outlined a number of matters for us to pursue further. We will do that in due course, and without any undue haste we will work through each of those issues and ensure the work of the TCF can continue as it has.

**CHAIR** - It was only during this whole process that I actually understood, I think, where the Tasmanian Community Fund money sits. In my ignorance, I always thought , it was a bucket of money, which was Trust Bank money, and that money was there and that this, each year, was the interest of that money, which was the Tasmanian Community Fund.

No? You shake your head, Mr Johannes, and I agree. I have since found out that this money was actually spent or went into Consolidated Revenue. I do not quite understand how you arrive each year at what the amount of Tasmanian Community Fund from the consolidated purse is, or how you determine what that amount will be. Is it the mythical amount that was there originally? Whatever that amount is, do you then calculate the interest each year? Now you are saying it might be possible for them to get grants from philanthropic or other sources but if is no bucket of money, how can they add to it? It is nominal; it is a figure somewhere in the ether. It is not real money, is it?

**Mr HODGMAN** - No, the fund exists and it could be a repository for private sector contributions, but -

**CHAIR** - There is no money in the fund.

**Mr HODGMAN** - No, but you are asking whether the private sector could contribute -

## UNCORRECTED PROOF ISSUE

**CHAIR** - If they add to that, it will be whatever this amount of money is, that is not there, plus -

**Mr HODGMAN** - It would be additional to the appropriation.

**CHAIR** - My question is, how do you work out the appropriation each year?

**Mr STRONG** - In the act for the Tasmanian Community Fund, the amount is increased every year by the Hobart CPI in March, so that is how it increases every year.

**CHAIR** - What is the amount now then? Do you know what the amount is?

**Mr JOHANNES** - It is approximately \$6 million.

**CHAIR** - No, that is the interest each year.

**Mr JOHANNES** - That is the appropriation.

**Mr STRONG** - The annual amount provided each year is the amount in front of you and that -

**CHAIR** - It is just that this amount is increased by the Hobart CPI each year?

**Mr STRONG** - The Hobart CPI in March every year.

**CHAIR** - It is not based any longer on what that original amount was? That has long gone, whatever that was, so now it is just - at some point you said, 'This is how much the interest is' and so you just add the Hobart CPI to it each year.

**Ms RATTRAY** - We will have to go back through the budget papers, Madam Chair, to find out when they changed.

**CHAIR** - If you were to get donations to this, the donations probably would not be spent. It is only the interest they spend, or are you talking about -

**Mr JOHANNES** - In support of the Premier's comment, you would have to do a fair bit of work, but the idea would be to create a vehicle that would enable you and I, for example, to say, 'I think that's a fantastic philanthropic pursuit. We have a lazy \$10 million, so we are going to invest it in this organisation, which then has the capacity to use that funding to dole out - '

**CHAIR** - Use that funding, or use the interest from that funding? I think that is actually in the legislation, is it not, it is the interest.

**Mr JOHANNES** - That would be a matter to be resolved.

**Mr HODGMAN** - The vehicle for it - the unintended consequences I referred to - could be money being diverted from other charitable organisations into this - requests and demands of donors that money be spent in a certain way, which is not consistent with the TCF. A whole heap of things -

## UNCORRECTED PROOF ISSUE

**CHAIR** - We are not worrying about that at the minute.

**Mr HODGMAN** - I mentioned it as part of the product of our consultations to see how the fund could be better supported. It may not necessarily prove to be a net benefit.

**CHAIR** - Okay. Can we be assured that this amount, \$6 million plus the increase each year by Hobart CPI, is forever secure?

**Mr BULLARD** - It is at the will of Parliament because it is a legislated formula.

**CHAIR** - Correct. That is the issue, isn't it?

**Mr BULLARD** - There is no way we could override the sovereignty of Parliament to say this is what -

**CHAIR** - If you were really in dire straights with the Budget, which you were last year, but you have magically worked so that in three years' time we are going to be in the black - not magically, it has been hard work, I know.

If the Government were to put up a bill to say we do not need the TCF any longer and you managed to get that through our House -

**Ms RATTRAY** - Pure hypothetical, Chair. Let's move on.

**CHAIR** - Pure hypothetical. But the Parliament could stop appropriating.

**Mr HODGMAN** - Of course. If the Parliament agreed to abolish the lower House, they could so determine, for example. The last 12 months have demonstrated there is no will anytime soon to do that.

**CHAIR** - Thank you for clarifying that.

Would you talk about the Discretionary Fund, please?

**Mr HODGMAN** - The Discretionary Fund is a fund designed to support community and cultural activities with national and statewide significance and community and cultural activities at a local level. The budget for the fund for 2014-15 was \$360 000. The total amount paid to 31 March was \$289 904 including donations. There were 88 discretionary payment requests where either the request has been paid, amounting to \$274 654, or yet to be paid, amounting to \$227 050 as at 1 June.

**CHAIR** - Are you happy to table that list? We have had it in the past from the previous governments.

**Mr DEAN** - Yes, from the previous government and one name came up with every amount.

**Ms RATTRAY** - We usually get it and we see who has been successful. We like to see who has been the most successful member of parliament in accessing it. It is a bit of a game.

**Mrs ARMITAGE** - There will be a change now that Mr Polley is not there.

**CHAIR** - No, but it was rather wonderful he was given Queen's Birthday Honours.

**Ms RATTRAY** - Along with other former colleagues, Paul Lennon and Sue Smith.

**CHAIR** - Indeed. The last thing I had was, and again it is not here but I did not quite know where to ask it, and that is the number of boards that have been abolished. It was your intention at the beginning of the year to make smaller the number of 200-plus boards, we understand that.

**Mr HODGMAN** - I have those related to my department at this stage and we can provide the number for the whole of Government in due course. DPAC has a smaller number of boards. The Climate Action Council has been abolished, which was one of our election commitments so that was no surprise. We have just had a discussion about the TCF board. The Tasmanian Early Years Foundation will be wound up as a statutory body in the second half of 2016, in an announcement made last year. They are the only ones that come under DPAC.

**CHAIR** - We would like a list of all the boards, please.

**Mr HODGMAN** - Across Government, yes, you can have that.

**Mr DEAN** - Boards and authorities, both. It was a matter of getting rid of statutory authorities.

**Mr HODGMAN** - We will get the whole list from the Treasurer.

**CHAIR** - I am interested in seeing how many, because if there were 200-plus boards and you said this is far too many. In principle we probably agreed with you. It would be nice to know how that number has gone down, whether it is a handful, or whether there has been a significant number.

**Mr VALENTINE** - Is it possible to get the numbers on those boards?

**Mr HODGMAN** - The membership, you mean?

**Mr VALENTINE** - Yes, and annual cost.

**Mr HODGMAN** - I am sure that is available.

**Mr VALENTINE** - Possibly including last year, so that we can see the changes.

**Mr HODGMAN** - Comparison, yes. And there are a number of boards that do not have remuneration attached. We spoke about the physical activity council today, the Anzac Day trust, disability advisory council, veterans, they all play an important role.

**Mr DEAN** - On those boards, I would like to know the common membership. That might be a big ask, to ask for all the persons on the boards. I know a number of the boards have a common person on them. In other words, the chairs are common to two or three of the boards. I would like to know that as well.

**Mr VALENTINE** - You have 280 board members and only 150.



**Mr DEAN** - That is right.

**Mr MARSTON** - I am sure we can do that.

**CHAIR** - That is a slightly bigger job.

**Mr MARSTON** - I was going to say that, with the usual 48-hour turnaround for questions on notice through the committee, that might be a little tricky.

**CHAIR** - They are publicly available, those names.

**Mr MARSTON** - There is no issue with you having it. The Premier is quite happy. I was just saying that is quite a task.

**Mr JOHANNES** - The Treasurer will be pleased to do it.

**CHAIR** - If we do a comparison of last year's and this year's, we would find there would be some Chairs of boards who have stopped being the Chairman of the board, but have become the Chairman of another board this year. It is about the pool, that question of growing the pool, particularly with younger people and with women.

**Mrs ARMITAGE** - Why are we not doing parliamentary printing?

**CHAIR** - I was told that we were not doing Legislature-General.

**Mrs ARMITAGE** - When I asked this morning, I was told we were not doing the other two, but Legislature-General was a different matter.

**Mr HODGMAN** - In response to a question asked by Mr Dean earlier, which I undertook to provide a response to. It goes to support for ministers and parliamentary office holders, the cost of ministerial offices. An analysis of the previous budget and the costs of the portfolio of ministerial offices indicates that the costs incurred by my Government are less than that of the previous government. The budget for ministerial offices in 2014-15 is \$11.013 million and the year to date expenditure, 30 April, is less than budget.

In the years 2009-10 to 2012-13, the previous government spent in excess of \$11 million, and in three of those years exceeded the budget allocations. Next year the budget allocated to ministerial offices is \$11.475 million. That includes allowance for the 27th pay, which again is less than the amount spent by the previous government in three of those years. The financial year 2013-14 is not included in the analysis, due to payouts associated with termination of contracts on the changeover of government.

**Mr VALENTINE** - For clarification, that is outside Parliament House?

**Mr HODGMAN** - Yes, ministerial offices.

**Mr DEAN** - I was trying to work out my maths and what you said last year, Premier, was that there would be a \$708 000 saving in ministerial offices. That is in the documents.

## UNCORRECTED PROOF ISSUE

**Mr HODGMAN** - We have achieved that, we are within budget.

**Mr DEAN** - The electoral offices, you said there would be a \$216 000 saving.

**Mr HODGMAN** - We have those as well to confirm. We have achieved that on ministerial offices, and that would also be parliamentary office holders.

**Mr DEAN** - You can take it on notice if

**Mr HODGMAN** - We have it.

**Mrs ARMITAGE** - Chair, could I ask one question on notice to do with the printing. I know it comes under the Legislator General. I will be quick.

**CHAIR** - We might get this answer, the Premier now has it in his hand.

**Mr HODGMAN** - What are you after again, Ivan?

**Mr DEAN** - What you said last year was that there would be a saving within the electorate offices of \$216 000.

**Mr HODGMAN** - If I give you the total salary cost, for Liberal electorate offices it is in the range of \$958 866 to \$1 087 238; the total salary cost for Labor at the electorate offices is in the range of \$392 735 to \$429 611; and total cost for the Tasmanian Green electorate office is in the range of \$195 581 to \$256 954.

**Mr CHAIRMAN** - We have an answer next door to you, I think.

**Mr STRONG** - The answer to the question to Mr Green is the savings have been achieved in that area for the House of Assembly electoral offices because of the restructure of the Budget to make sure they could be delivered, so that saving of \$216 000 has been achieved in the Output 1.1 of the Ministerial Parliamentary Support.

**Mrs ARMITAGE** - I have a quick question to do with the production and printing of parliamentary reports for the Budgets of close to a \$1 million. What is the cost allocated to the printing and distributing of the reports, excluding salaries, and in this age of electronic reporting what measures are the Government taking to transition its reporting to mainly electronic means to save on printing and associated costs? Could reports not be emailed to members or viewed on tablets, bearing in mind the Auditor General now does not print up most of the reports, they have them on a stick. Production and printing of parliamentary reports seems quite a large amount.

**Mr DEAN** - I need my bills in hard copy.

**Mrs ARMITAGE** - We are talking about parliamentary reports, member for Windermere. The Federal Government I noticed have a reduction strategy.

**Mr HODGMAN** - It is not us, but I am happy to.

**Mrs ARMITAGE** - Doesn't that come under you?

## UNCORRECTED PROOF ISSUE

**CHAIR** - It was the clerk we discussed this with this morning and he said that nobody from Legislature General was available today.

**Mrs ARMITAGE** - I appreciate that that is why I have put it on notice. I know the Government is trying to get cost reductions and to look at almost a \$1 million in printing parliamentary reports when places like the Auditor General now do not print reports they have them on a stick.

**CHAIR** - I hear what you are saying, Ms Armitage.

**Mrs ARMITAGE** - I appreciate that but I would have thought that it was important to the Government as well, both sides.

**Mr HODGMAN** - I will take that on notice and I am sure there are other ways we can provide a response to the question.

**CHAIR** - We have one item to go which is support for the Government.

**Mr HODGMAN** - I have one to respond directly to a question raised by Mr Valentine in relation to the Government's communications office. Media.

**Mr VALENTINE** - Yes.

**Mr HODGMAN** - I will do that very quickly. We are delivering the same service at a reduced cost and with less staff. Staffing in my Government's ministerial communications/media offices, seven FTEs compared to under the previous government 12; 2014-15 budget for my office is \$706 730 compared to the previous government's budget of \$1 226 255.

**CHAIR** - We have three minutes left.

**Ms RATTRAY** - Premier, are you planning to sell any buildings in the future?

**Mr HODGMAN** - It is a question best directed to the Treasurer because there is a lot of government property that is often under.

**CHAIR** - We are down to three minutes.

**Ms RATTRAY** - In relation to the increase in the support for the Governor for this financial year. Can I have an explanation, is it the 27th pay scenario or is it something else?

**Mr HODGMAN** - That is a factor.

**Mr CHAIRMAN** - Can we congratulate you, Premier, on your choice of Governor. It is not only a popular appointment but a good appointment.

**Mr HODGMAN** - Proving to be excellent, I believe.

**Mr DEAN** - She is willing to go to most things.

**Ms RATTRAY** - It is an increase of \$85 000. I should not imagine it is just this 27th pay.

## UNCORRECTED PROOF ISSUE

**Mr JOHANNES** - My recollection is that some of it had to do with some essential maintenance on Government House but we will take that on notice and get back to you with details.

**Ms RATTRAY** - Thank you.

**Mr HODGMAN** - If there are matters, you can pursue those through the usual channels.

**CHAIR** - Are there any further questions. We are finishing early, we have two minutes to go before our time is absolutely up.

**The committee adjourned at 7.11 p.m.**