

Tuesday 29 May 2012 - Estimates Committee A (Giddings) - Part 2

DIVISION 7

(Ministerial and parliamentary support)

CHAIR - Premier, thank you for your patience. I think the process will be that we go to output group 1, support for members of parliament, page 8.4 of budget paper 2. As we indicated first up this morning, Jim Wilkinson has some questions to lead that process off.

[2.15 p.m.]

Ms GIDDINGS - I will start by introducing people and giving a short overview for DPAC, if that is okay. At the table I have the secretary of the department, Mr Rhys Edwards; Mr Philip Foulston whose official title is Director, Executive Division; and then Mr Jeff Reeve who is Director, Corporate Services.

In relation to the DPAC budget you will be aware that there is obviously more than one minister responsible to DPAC. I will not be addressing issues that the Minister for Community Development and Aboriginal Affairs will be addressing at another stage for you in your House. Similarly, local government is the responsibility of Minister Green, and the Tasmanian Early Years Foundation is the responsibility of the Minister for Children, and then there is also the Minister for Veterans Affairs who is responsible to this group as well.

You will note, however, that the office of Security and Emergency Management is now sitting alongside the office of Local Government and I am responsible for Security and Emergency Management so we will answer those questions there.

The other element that would be of some knowledge to you is that in the overall situation DPAC, as an agency, has had to do their fair share of the cost cutting across government and you will see from the progress report that they are on progress to achieving their savings. In fact, there has been a 13 per cent reduction to the underlying DPAC budget since 2009-10 and discounting transfer and grant payments this equates to a cut of around 19 per cent of DPAC's operational funds. Alongside those cuts they have also had to absorb rising costs for rent, electricity and other general expenditure. They have been able to manage most of the savings targets; first, we did cut some grant programs last year, which we spoke about last year, but also through prudent vacancy control and there has also been some structural reform as well within the agency. We review and continually review the programs and activities that DPAC is involved in for potential budget savings there.

There has been a fair bit of work done and there will no doubt be some time to talk to you about the work of the Social Inclusion Unit and the restructuring there or the fact that we have brought them in to have a closer relationship with the Policy Division and we have used vacancy control in those areas. There are three positions that have been abolished in the Social Inclusion Unit and Policy Division as a result of that work as well.

The office of E-government has been refocused to provide support to the whole-of-government ICT policy board, and five positions have been abolished there. Two vacant positions have been abolished in the Climate Change Office. The Public Sector Management Office's Healthy at Work program comes to an end this financial year and the funds will not continue. The \$540 000 expended in this financial year will not be there next financial year.

Also, local government with the combination with the Security and Emergency Management Office has had one senior position reclassified and two positions abolished, saving approximately \$150 000. Efficiencies have also been gained in the delivery of corporate services, resulting in the abolition of three positions. One position has been abolished in the Service Tasmania unit following a structural review and we will get a chance to talk a bit more about Service Tasmania but I think members have been briefed in the upper House about the changes with Service Tasmania already.

Three vacant positions have been abolished in the Public Sector Management Office, the office of the State Service Commissioner and Tasmania Together as well and, of course, vacancy control continues to be put in place. As of 1 March this year, \$1.9 million has been saved during the 2011-12 year from positions being held vacant as a result of vacancy control and through staff working in part-time arrangements.

In general funding, the same level of indexation of 2 per cent has been applied to the funding of employee entitlements and there is 2.5 per cent indexation for non-salary operational effects as well.

In terms of some of the key variations, we do have the \$100 000 for the white paper on Tasmania's place in the Asian century, so there is work happening there. We have the most money for new initiatives in this budget that has been in the area of social inclusion to try to help Tasmanians most in need and there is the cost-of-living funding there and we can go through the details of that split of funding that builds on the funding that we also put in last year's budget around energy efficiency and emergency relief as well.

They are the main issues I wanted to speak about. You may also want to touch on the state service governance review in regard to issues that, I think, Ruth mentioned in the previous session that we had with Treasury, about what sorts of things we are trying to do in structural reform to create savings across government that is not as large as the department structures.

Thank you very much for that opportunity to give you an outline.

CHAIR - Thanks, Premier.

**Output group 1
Support for members of parliament -**

Mr WILKINSON - Premier, I asked you a question on notice this morning in relation to parliamentary wages, and I would preface my question with a bit of background if I might. I first turn back to the early 1990s and I am going to ask you to comment on these comments at the conclusion of this question. I notice when there was an increase given then the Greens leader, Mrs Milne, said, 'Go to an independent tribunal'; the State Secretary of the Tas Trades and Labour Council, Jim Bacon, at the time said, 'It must be dealt with in a tribunal'; Michael Field, the opposition leader, 'dealt with in an independent tribunal'; Tas President of the AEU, Penny Cocker was opposed to a teachers pay rise even when the industrial commission decision included cost saving recognition, in the end it was an independent tribunal; then in the *Mercury* November 1993:

TBC Both Labor and Greens favour independent salaries tribunal, small and smaller pay rises. The Leader of the Opposition, Mr Field, said, 'Caucus

unanimously supported the setting of MP salaries by an independent tribunal. The Labor Party believes that MPs are no different to anyone else and they should have their salaries set by an independent tribunal.

Likewise the editorial in the *Advocate*: 'No tribunal no pay rise.' Likewise industrial commission said by a later media release, November 1993, Michael Lester writing for the *Mercury*, 'an independent ruling is the only option,' and then we had Doug Parkinson bringing in the amendment where he wished for the matter to be dealt with by an independent tribunal and David Crean bringing an amendment where he wanted it to be dealt with by an independent tribunal.

That is the history in relation to what happened then when there was a problem as a result of members having their hand on the lever as far as their own salaries are concerned. What do you say to those people who adamantly stated that it should go to an independent tribunal?

Ms GIDDINGS - It is not changing in that the independent tribunal did set the percentage and set the salaries. If it wasn't for the federal government undergoing their own work value assessment there would be no change to that. This year, next year, rolling on we would still be the percentage of the Australian government's salary increases. So that independent tribunal has already set us at that percentage. All we are doing is shifting it from the nexus of the Australian government to the nexus of the state service; that is the only difference. The independence of the original decision has not been tampered with at all. It is a simple movement across and if you wanted to you could always send that back to the independent commission to say, 'We want a work value analysis of what we are doing,' and the independent commission could say, 'Rather than being the 102 per cent of the band 9 you should be 112 per cent or 98 per cent,' or whatever the independent tribunal determined at that point.

You are not actually losing the independence of the tribunal system if that is what you want to do. All you are doing is linking it to the state service so that the increases in salary are fair and equitable and in line with what we have an expectation of the state services being able to receive.

Mr WILKINSON - Did you read the Belcher report in relation to the remunerations?

Ms GIDDINGS - My department has read through these reports in detail. Those reports are part of that process. If members are worried about the independence of the tribunal, you could still have the tribunal involved and all you are doing is linking that nexus to the state service, which I would argue is a fair and reasonable pay increase.

Mr WILKINSON - Is it fair to say that remuneration tribunal suggested the matter should go to an independent tribunal? They are saying it should be dealt with by an independent tribunal.

Ms GIDDINGS - It can still be dealt with by an independent tribunal, under the legislation that I am proposing. If you thought the percentage needed review you could refer it to an independent tribunal. They might determine that you are worth more than the percentage currently applying to band 9, and give you a pay rise. That could happen.

Mr WILKINSON - Is it fair to say that what you are doing is different to what was suggested after the long deliberations of the Belcher report?

UNCORRECTED PROOF ISSUE

Ms GIDDINGS - The Belcher report, and subsequently the federal government, have said they do not want the states tied to the commonwealth.

Mr WILKINSON - That is right.

Ms GIDDINGS - They want us to be independent of their system and the Belcher report recommended that the states do their own work value analysis. I am yet to see a work value analysis, of any profession, that does not come back recommending an increase in salary. The risk of sending this to the TIC with a work value evaluation is that it would give us more than the 2 per cent that we are asking of every public servant in this state. If you want to guarantee yourself a wage increase, do what you are proposing, send it to the TIC.

Mr WILKINSON - Do you recall that the President, Sue Smith spoke to you in March last year, and said, "There is going to be an issue surrounding salaries as a result of what is happening in the federal sphere and as a result of that we should be proactive and the matter should be looked at"?

Ms GIDDINGS - Yes, absolutely.

Mr WILKINSON - Before that, in 2011, the original proposal to come before the upper House and the lower House was for there to be a 2, 2 and 2 per cent increase. That is correct, is it not?

Ms GIDDINGS - Yes, I think it was at that point.

Mr WILKINSON - And is it some strange coincidence that the 2, 2 and 2 per cent proposal finished at the end of the electoral cycle?

Ms GIDDINGS - No.

Mr WILKINSON - That just happened?

Ms GIDDINGS - There is no conspiracy about this. It is not about electoral cycles, it is about state wages policy.

Mr WILKINSON - Prior to an amendment that was made in our House last year, there was to be a 2 per cent increase for three years, which would have taken it to the end of the electoral cycle. Is that not the case?

Ms GIDDINGS - Because that was the state wages policy, that was in the budget last year.

Mr WILKINSON - That just occurred? There was no coincidence in relation to that?

Ms GIDDINGS - No, coincidence whatsoever.

Mr WILKINSON - And no coincidence that it would have finished at the end of the electoral cycle for another government to look at in another way, if they came into power?

Ms GIDDINGS - No. It was in line with the state wages policy, which has been my consistent point of view. I believe it is a fair and equitable point of view. When we are asking

UNCORRECTED PROOF ISSUE

state public servants to accept a 2 per cent pay rise, it is incumbent upon us, as leaders, to do as we are asking others to do. But I am happy to go through a time line in relation to all these elements.

Mr WILKINSON - I hear that, and that might be a question at a later stage.

Then, in July 2011, legislation came to the House, and we determined we should agree to a 2 per cent increase in accordance with what was requested, but we also said the matter should be decided by the Industrial Commission. Would you agree with that?

Ms GIDDINGS - No, I do not entirely. It would be worthwhile me going through my time line, because there is more to it than what you have in your time line. The legislation was brought forward in June, but we did not get a final determination from the tribunal until 15 March this year.

Mr WILKINSON - I understand that. But I am talking about an independent tribunal being the Tasmanian Industrial Commission, not the federal sphere.

Ms GIDDINGS - It would be useful for me to work through my time line. It might assist you with your deliberations.

CHAIR - Let me just intervene for a moment. Are the time lines particularly critical to where Jim is going with the line of questioning?

Ms GIDDINGS - Yes, I think it is.

Mr WILKINSON - Not at this stage, as far as my questioning is concerned.

CHAIR - Okay, I will listen to more questions from Jim and see what the responses are.

Ms GIDDINGS - To be fair, I think it would help, because there are elements in Jim's line of questioning which are essentially saying we have done nothing: 'From the time we asked you to look at this last year, to where we are now, you have done nothing'. I know where his line of questioning is going. That is why my time line would assist people to understand what has been happening, because it is not a do-nothing situation. There has been a process, and it is important to go through it.

Mr WILKINSON - That was not going to be my question.

CHAIR - Premier, you are in a more favourable position than I am. You said you know where his question is going. I don't. The process here is taking questions from this side of the table. You can make your responses.

Ms GIDDINGS - Okay.

Mr WILKINSON - You are probably in a more privileged position than me, because at this stage I don't know where my question is going either.

Ms GIDDINGS - It seemed pretty obvious to me.

UNCORRECTED PROOF ISSUE

Mr WILKINSON - Last year there was the 2 per cent increase, and then a request that it be provided to the Industrial Commission for them to make a determination. Are you aware of that?

Ms GIDDINGS - I am not in the witness box. I am very happy to answer these questions.

Mr WILKINSON - Are you aware of that? That is not a witness box question.

Ms GIDDINGS - Yes, but, I am very happy to work you through the question for you.

CHAIR - Premier, you have raised that proposition. At this stage I have ruled that I will listen to Jim's questions, and in terms of clarification, no, you are not in a witness box. He has simply raised some background context and then he has asked you a question. It is no different than any other member asking you a question. There is no witness box process going on here.

Ms GIDDINGS - No, it is just his lawyer skills coming to the fore.

CHAIR - They have come to the fore for the last 17 years, in budget estimates.

Ms GIDDINGS - Yes, but I am not in a witness box.

Mr WILKINSON - On 8 March, you wrote a letter to the President - I have it here before me - and said:

'I write in regard to potential increases in the basic salary of members to seek your agreement on the way forward in relation to this matter.'

And then on the next page, at the second last paragraph:

'However, I think it is important that we endeavour to have an agreed approach to this issue, and I would welcome your views on acceptable options. I have written in similar terms to the Leader of the Opposition and the Leader of the Tasmanian Greens. I intend to canvass my parliamentary party colleagues as well. You may wish to do the same.'

As a result of that letter written to our President requesting a meeting with her, a meeting was eventually held with her and the rest of the Legislative Council. Would you agree with that?

Ms GIDDINGS - Yes.

Mr WILKINSON - And that was done in order for you to canvass your parliamentary colleagues in the Legislative Council. As a result of the President's invitation to you, the Legislative Council got together during one of their housekeeping meetings and spoke with you prior to 10 o'clock question time? Would you agree with that?

Ms GIDDINGS - Yes.

Mr WILKINSON - So, it is incorrect to say that the Legislative Council caucused, would you agree, because it only got together as a result of your suggestion - that everyone should get together and discuss this issue.

Ms GIDDINGS - When I addressed the Legislative Council, I felt that the members were working very much as a bloc. That is how I felt in terms of the discussions that were held, and in terms of the view that was articulated. Correspondence that came back from the President was along the lines that 'all members of the Legislative Council believe'. It seemed quite incredible to me that every single member of the Legislative Council shared the same point of view.

Ms FORREST - Including the two government members.

Ms GIDDINGS - Yes, we know the two government members did not share that point view in terms of the views of the caucus of the Labor Party where we do caucus and that is very part of the Labor Party.

Mr WILKINSON - I can assure you there was no caucus and the only reason we got together was that we did so out of courtesy to you so you wouldn't have to go around one at a time to put your views. To say we were caucusing I think is a bit of a slap in the face when it didn't occur and has never occurred in relation to this matter.

Ms GIDDINGS - It is my concern how some of the operations of the Legislative Council have been operating and it is why, in trying to progress this issue, because the House of Assembly does not agree with your position and you do not agree with the position of the House of Assembly. We all do agree that none of us want that 38 per cent pay rise. What we are going to have to do is find a way through this. I believe the best way I can progress it in this time is rather than go through the President of the Legislative Council, it will be far better for me to engage with each of you individually so that we can have an individual discussion about these issues and I can get a better understanding of what you, as independent members of parliament, feel about these issues.

We have had a situation where 27 members of this parliament have voted for the legislation and 13 members have voted against it. We are at a point of an impasse; we need to find a way through this. That is what I intend to do: to seek to discuss this issue with each of you independently, individually, so I can get a good understanding of what your position is and where we might be able to find a way through this. We do not want - none of us want - to get the 38 per cent increase on 1 July. Therefore, a way around this will need to be found.

Mr WILKINSON - Then, further, a letter was written back to you, and also a copy was sent to our President, dated 9 March from the Leader of the Opposition saying:

I have noted you have indicated your preference position is to tie future politicians' salary movements to band 9 of the general stream of the Tasmanian State Service Awards.

Because you gave a degree of options in the paper that you wrote as to what could be done. He goes on and says:

Although conceptually this idea has some merit in that it would tie future MPs' pays to that of state servants, I have serious reservations with this proposal. If MP salary changes were tied to changes in state servant salaries, this would mean that in all wage negotiations the government would be effectively setting or arguing for the level of their own salary.

He went on:

I also note whilst New South Wales has recently adopted a proposal to have MP salaries governed by the overall public sector wages cap, it is still up to an independent tribunal to make an independent determination about MP salaries. The preferred view of the parliamentary Liberal Party is that the government should proceed instead with option 8.3 in your January options paper and that the issue should be referred to an independent body such as the Industrial Commission to redetermine the basic salary of MPs. To the extent that this option may be affected by timing issues I would propose as an interim measure that the government again legislate to apply 2 per cent of MP salary in line with the public sector wage cap.

That letter was forwarded to you. Then after that, as I understand it, going through the chronology of it, on 16 April there was another letter, virtually saying, 'I still abide by what I stated in the letter of 9 March but if you want to bring forward this legislation I won't oppose it'. You would agree with that?

Ms GIDDINGS - From Will Hodgman? Yes, and they didn't oppose it either.

Mr WILKINSON - That is right. He said:

As I have clearly and consistently stated it is our view that it is not desirable for politicians to be involved in setting their own salaries. As I have previously outlined, the mechanism you have proposed would effectively do just that.

He goes on also:

While I appreciate this new proposal is much closer to our preferred position, I believe that to cap pay for two years with an independent review reporting almost immediately after the election, as you have proposed, would be viewed with great cynicism by the community.

Ms GIDDINGS - Yes. I did undertake a whole lot of that consultation and also spoke to the Leader of the Opposition about those issues as well, and concluded that the original position that I put forward was the most appropriate position to take forward. For some of the arguments I have already put forward, including the fact that when people are concerned about us then being able to, in theory, negotiate our own wage increases, I have explained to people considering that we are negotiating wage increases for in excess of 10 000 public servants when we negotiate with the CPSU and other public sector unions around that general public sector wage increase, that there is no way we would be negotiating on the basis of what is the best outcome for us as politicians. If we were to offer ourselves a 10 per cent pay rise that would then have to be applied to 10 000-plus public servants so the hit on the budget would be so great that there is no way you would be negotiating with public servant unions on the basis of what is in the interests of politicians. That is where the fairness and equity comes into it.

The reality is when this legislation was debated in the House of Assembly the Liberal Party, the Greens Party and the Labor Party all voted for it. No amendments were moved. All three parties voted for it, 25 votes. In the upper House, I know my own Leader of Government Business, Craig Farrell, voted for it and I believe that Vanessa Goodwin as a caucusing member

UNCORRECTED PROOF ISSUE

of the Liberal Party followed the Liberal Party in the lower House and also voted for it. There are 27 members of this parliament who have voted for the legislation we have proposed and 13 who have voted against it. I accept that those 13 hold a very powerful position in the upper House and you do not like the legislation that we have sent to you, in fact, you have amended it and sent it back to us. At this point in time we have impasse where we do not like your legislation and you do not like ours, so we are going to have to find a way through it.

Mr WILKINSON - Right, you have mentioned that. Can I -

Ms GIDDINGS - As I said, we all agree that none of us want 38 per cent.

Mr WILKINSON - You have said that a number of times but the letter that Will Hodgman forwarded to you was on 16 April. Are you then aware that on 17 April at 9.30 in the morning there was an e-mail from Tom Lynch, secretary of the Community and Public Sector Union, stating:

Congratulations, the first stage of our campaign to have the salaries of Tasmanian politicians decoupled from their federal counterparts and to stop them receiving a 38 per cent salary increase on 1 July has been successful. It was reported on the news this morning that Premier Giddings will table her legislation this week and that the Liberals will not oppose the legislation. It is not yet clear if the Greens will support it. Regardless of the Greens position, it now seems clear the legislation will be passed in the House of Assembly.

Despite this success we still have a huge challenge ahead. Unless the legislation is supported by a majority of Legislative Councillors it will fail and all our politicians will get a salary increase of more than \$43 000 from 1 July -

or not on our amendment.

We need to send the Legislative Council a very clear message. The legislation that is being proposed is fair and ensures all those who serve the Tasmanian community and treat it equally and share the burden of our difficult economic times.

Thanks to all those members who have already pledged to support the campaign by having the names added to a letter to politicians. If you have not already pledged please do so now by replying to this e-mail saying, 'I support the campaign and would like my name added to the letter. Your name will then be added to the letter along with your home suburb'.

Let us send the Legislative Councillors a strong message. Please reply now and be part of the campaign for fairness.

Are you able to say how he became aware of the letter that was forwarded to you by Will Hodgman so soon in order to write this e-mail at 9.30 a.m. the following morning?

Ms GIDDINGS - I am not aware of how but certainly the CPSU has taken an active interest in this issue. I can see why. This is about fairness. It is about equity. We have asked them to take a 2 per cent pay rise for two years in a row - 2 per cent plus 2 per cent - which was not easy

UNCORRECTED PROOF ISSUE

for the CPSU to agree to, but they have shown leadership. They have shown leadership across the public service and I am hopeful that we will see fairly soon the teachers now follow that leadership and also agree to 2 per cent plus 2 per cent - and it is incumbent on us to do the right thing and also do 2 per cent plus 2 per cent and the best way of doing that is to join us at that band 9.

I did look at your debate that you had last week in parliament and that does not mean that we are equating parliamentarians to the work of band 9s. It has nothing to do with it. It is to do with where the similar salary range was, so that the independently arrived-at salary that we are on is maintained and the link is with band 9 because that is the closest we have to a like salary. It does not mean it is like work.

[2.45 p.m.]

With that link you could still send it off to the TIC if you wanted to for a work value analysis that could increase or decrease the percentage link to that band 9. To be fair and equitable, what is good for the goose is good for the gander. Right now, as you have seen from the budget estimates of Treasury we did this morning, we have some very difficult times ahead of us, particularly in this next financial year.

Mr WILKINSON - So, in short you don't know - please, if you could just answer the question. Here we go again.

Ms GIDDINGS - Our legislation does not allow the 38 per cent increase as your amendment doesn't either.

I am sorry, I am here to answer questions, so I will answer them in the way I see fit.

Mr WILKINSON - I understand that, but you have answered it in a certain way by mentioning the 38 per cent, et cetera, on about four or five occasions now, so I just wonder about repetition.

Ms GIDDINGS - I am interested in the DPAC estimate too.

Mr WILKINSON - I am just interested in getting the facts straight in relation to this, so there are no untruths and no mistakes out there, so that the people of Tasmania can properly understand what is going on, as opposed to being hoodwinked.

Ms GIDDINGS - Maybe you will let me go through my time line too.

Mr WILKINSON - As I understand it, you don't know how Tom Lynch from the CPSU got hold of any information to suggest early in the morning that he knew of that letter that was forwarded by Will Hodgman to you.

Ms GIDDINGS - I thought you said when you read out that letter that he had heard something on the radio anyway.

Mr WILKINSON - There was no correspondence forwarded to him, or contact made with him, that you know about?

UNCORRECTED PROOF ISSUE

Ms GIDDINGS - Not that I personally know about, but I would have to check with my staff to know if there was any other contact between my office and the CPSU, but not between me and the CPSU.

Mr WILKINSON - Are you able to advise us why he came to the Legislative Council on Thursday and briefed us?

Ms GIDDINGS - Yes, I am very happy to. I asked that he be asked to see whether or not he would be willing to. I know the CPSU has a keen interest in this issue. I have that same interest. I share that with the CPSU and I have absolutely no qualms in saying to you that I asked my staff to ask the CPSU and Tom Lynch whether he would be available to come and talk to the Legislative Council. He has a right to lobby the Legislative Council. It is not the first time, nor will it be the last time that governments of the day ask groups to come in and address the Legislative Council. I am very happy for that to have occurred.

Mr WILKINSON - Are you aware also that the unions in New South Wales, with the support of the Labor government, are in the High Court at this very stage objecting to the government setting a cap on public sector wages without using the industrial process? In other words, independent commission.

Ms GIDDINGS - No, I was not aware of that, but it is not really relevant to what we are doing here in Tasmania.

Mr WILKINSON - It could be concluded that the government could have spoken with the CPSU and agreed with the CPSU that there would be a deal done in relation to a 2 per cent pay increase in accordance with the public sector employees, for whatever reason I don't know.

Ms GIDDINGS - So you think there is a conspiracy here. Now, we are getting to it. You think that I have gone to the CPSU and said, 'You sign off on 2 per cent and I will deliver you members of parliament'. Is that what you believe?

Mr WILKINSON - I don't know what is happening. That is why I am asking you the questions and looking at the history in relation to it.

Ms GIDDINGS - That is extraordinary. Let me tell you, there has been absolutely no such arrangement made with the CPSU. Those negotiations were done by Frank Ogle, who is in the back there, of whom you can ask those questions, since he was part of those negotiations, not me. I don't do those negotiations. I would never, I could not - I mean, that is real conspiracy drawing a long, long bow.

Mr WILKINSON - So you disagree with anyone who could say that when you look at the history of it, that could well be the scenario.

Ms GIDDINGS - I am quite concerned with the approach that you are taking around this. It has absolutely no ounce of truth to it at all. There have been no such discussions, no such negotiations and I am quite affronted by the fact that you would even think there were. But that is your prerogative.

Now maybe I can go through my time line and we can discuss this.

UNCORRECTED PROOF ISSUE

CHAIR - We will just determine first, Premier, whether Jim has finished the questions he has there to put to you.

Mr WILKINSON - There are only a couple to go to finish the history of it.

As you would be aware, Premier, the Legislative Council in the upper House suggested that the best way to deal with the matter was not to have this pay increase at all this year; the best way was to freeze a pay increase and then send the matter to the industrial commission in order that there be no increase at all until the industrial commission sorts out the most appropriate way of dealing with the matter. In other words, having your hands off the lever.

Ms GIDDINGS - Considering we are not in a court and it is not just a matter of a yes/no answer, I would really appreciate the opportunity for the committee to work through the time line I have to give people some indication as to what has happened, when and how - and particularly when such a conspiracy theory is thrown at you.

CHAIR - I will provide that opportunity in a moment.

Ms GIDDINGS - Thank you. As long as I get that opportunity, that is all I ask.

CHAIR - You have been asked a question and it is a matter of the response to that question.

Mr WILKINSON - Do you want me to ask the question again?

Ms GIDDINGS - Yes, please.

Mr WILKINSON - The Legislative Council proposal was that, in order that members do not deal with their own salaries as was professed throughout the 1990s in relation to Labor colleagues and others, it should be dealt with by an independent tribunal. What the Legislative Council has said is that there be no increase at all, not this 2 per cent increase, that there be nothing at all, that it be frozen and for the industrial commission then to decide.

Ms GIDDINGS - That is dangerous in itself because as soon as you freeze, that ends up being lifted at some point and you end up with a greater-than increase in salary as an independent TIC tries to lift you back up to where they think you should be. In my view, putting a freeze in place just makes the situation worse. The TIC then says, 'Hello, you've fallen that far behind your other colleagues around the nation'. That is who they will compare us with.

Ms FORREST - Kevin Rudd did it a few years ago -

Ms GIDDINGS - Yes, but that was led from the top and the nexus hit all of us so we all had that same freeze.

Ms FORREST - Yes, I know.

Ms GIDDINGS - This freeze that is being proposed by you is out of step with other states. It is out of step so at some point it is a catch-up.

Mr WILKINSON - What it is doing is saying, 'Members of parliament, take your hands off the lever, don't you decide what wages you believe you should get. Leave it to an independent

body', as has always been the case and as was your policy in 1996 certainly, and obviously there has been a change of policy since then.

Ms GIDDINGS - I make the point again, as I did earlier on, that it was an independent commission which set our salary where it is. An independent commission did that and that has not changed. It is shifting from that nexus with a federal member's salary across to the nexus of a public service where we are asking our public service to take a 2 per cent pay increase across the board and we are asking teachers to do it, we are asking police to do it, we are asking every public sector worker to do it. Unless I have a special deal with every single public sector, I think your conspiracy theory is totally out of order.

Mr WILKINSON - You would be aware also of David O'Byrne's comment of why go to the industrial commission, they gave you the 40 per cent pay rise? That is not correct and he would be aware of that. No doubt you would have made him aware that that was not the case?

Ms GIDDINGS - I did not follow through on that comment with him; I have not had a discussion with him but you are more than welcome to, if you wish.

Mr WILKINSON - Yes, but you know that it is wrong, don't you?

Ms GIDDINGS - The TIC, the independent commission, has actually set our salary at the percentage of a commonwealth backbencher's salary. That is what they did and that is what we are maintaining.

Mr WILKINSON - But it was not the TIC that gave us the 40 per cent pay rise, which I was not part of.

Ms GIDDINGS - No, it was Ray Groom's government, a Liberal Party government of that day that gave us a 40 per cent pay rise and people have not forgotten, as they said they never would.

Mr WILKINSON - Obviously the minister did, because that is what he said had occurred.

Ms GIDDINGS - There you go. All right.

Mr WILKINSON - There you go.

Ms FORREST - He might have been a bit young.

Mr WILKINSON - Yes, probably.

Ms GIDDINGS - It is important, I think, to step back through this process.

CHAIR - Just before that process then, I want to be clear that Jim has exhausted his questions.

Mr WILKINSON - Yes, that is me, thank you.

CHAIR - Premier, are you aware of that public comment that David O'Byrne made regarding the TIC in fact awarding MPs a 40 per cent pay rise?

Ms GIDDINGS - No, I was not particularly aware of it.

CHAIR - So notwithstanding the heat in this whole issue, no-one has drawn to your attention that public comment he made last Friday?

Ms GIDDINGS - No, they haven't. You are more than welcome to if you would like to. Now I have been made aware of it I certainly can do that, but I wasn't aware of it.

CHAIR - Just finally from me a question based on the previous areas that Jim went to, you have indicated that you wish to meet with MLCs individually -

Ms GIDDINGS - Or discuss things it may have to be phone calls, it might not be individual face-to-face meetings.

CHAIR - Why then the change from your previously expressed position of asking the President of the Legislative Council to determine and then communicate with you, which she did on behalf of all MLCs without being caucused?

Ms GIDDINGS - I do not think that process worked that well and in hindsight considering you are all independent members you should be given the courtesy of an independent discussion with me, not as a group, which I do not think worked all that well. I think it is far better I talk to you all individually and can discuss your concerns individually so that we might be able to find a way through this that helps resolve the matter in a timely way, as we all want to do. The impasse that is there at the moment is not helpful for anyone or anything, and we have to find a way through this.

CHAIR - Wouldn't it be more productive to meet with the Legislative Council as a group, as you did previously and brought to that group your views and sought a response to those views so that matters can be fleshed out with you in that sort of forum?

Ms GIDDINGS - I think it is far better that we meet and discuss these things individually so that I can have a one-on-one with people about what their real concerns are and how we might be able to see if there is a common thread as to how else we could resolve them.

The reality is the lower House does not agree with the position of the upper House and the upper House does not agree with the position of the lower House. We have to find a way through this. I will be doing all that I can to ensure that we do find that way through. I would also hope that members might consider the perspective that I raise here which says that you can still have access to the TIC even though you have your nexus tied to the public service general sector area.

Ms FORREST - You could ask who is going to send it there, though, but anyway it is a separate question.

Ms GIDDINGS - You could do that. If you want to do a work value assessment, which is what the Belcher report has recommended and Gary Gray as the federal minister responsible has recommended, regardless, we still have send that to the TIC. I can almost guarantee we will get a wage increase.

CHAIR - What purpose would that serve?

Ms GIDDINGS - To do a workplace assessment?

CHAIR - For any member of parliament to make such a representation to the TIC?

Ms GIDDINGS - I am not suggesting that you do, but my point is you could. You could do that.

To work through this time line so that we get the full picture, some of which Jim has put on the *Hansard* as well, I want to just take us back to 8 September 2009 when the commonwealth government announced a number of reforms to the Parliamentary Entitlements Framework in response to a report from the Australian National Audit Office.

In April 2010, there was a report by the committee for the review of parliamentary entitlements that was completed, namely the Belcher report that has been referred to, although that was not released until March 2011 - quite some period after it was first completed.

On 28 February 2011 - and we received this on 3 March and our response was then sent on 7 March - Sue Smith, the President, wrote to me re the potential reforms at the federal level that will impact base salaries for Tasmanian members of parliament. She encouraged me at that point to refer the matter to the Industrial Commission. I think we are agreed on that point.

On 4 March 2011, received on 9 March in my office, I also received a letter from the Leader of the Greens, Nick McKim, who wrote to me about the potential reforms at the federal level that will impact on the base salary for Tasmanian members of parliament. He requested that the Tasmanian Industrial Commission investigate implementing an immediate freeze on the current base salary of state MPs.

On 7 March 2011, I responded to Sue Smith's letter of 28 February and I explained that I was seeking legal advice and an appropriate mechanism to ensure the windfall did not get passed on. I undertook to write to her about any solution proposed.

On 24 March 2011, the federal government released the Belcher report and announced that they would be seeking the independent Remuneration Tribunal to determine what the appropriate base salary for a federal member of parliament should be.

[3.00 p.m.]

On 24 March 2011, received in my office on 29 March, the Special Minister of State, Gary Gray, wrote to premiers to inform them that the federal government would be accepting and moving to implement the key recommendations of the Belcher report, namely having the parliamentary base salary determined by the Remuneration Tribunal. He also introduced legislation into parliament to allow the Remuneration Tribunal to determine the parliamentary base salary.

On 31 May 2011, I wrote to the Prime Minister and I explained that the Tasmanian salary is linked to the federal salary, and that the restraint needs to be shown if a decision is to be made to increase the federal salary. I suggested a submission to the tribunal indicating support for either a freeze or an increase at the rate of 2 per cent. I also asked for advice on the other steps the commonwealth was undertaking in relation to this matter.

UNCORRECTED PROOF ISSUE

On 21 June 2011, we presented the Parliamentary Salaries, Superannuation and Allowances Amendment Bill, and then that had its third reading on 23 June 2011 in the House of Assembly, and was sent to the Legislative Council on 23 June and had its second reading on 6 July.

Also, on 6 July 2011, the federal government announced that the Remuneration Tribunal would also look at parliamentary entitlements.

On 7 July 2011, the Parliamentary Salaries, Superannuation and Allowances Amendment Bill was given its third reading, with amendments, in the Legislative Council and also was heard in the House of Assembly. On 13 July 2011 that act received royal assent.

On 22 August 2011, a letter was sent and received in my office on 30 August, and there was a response from Gary Gray to my letter to the Prime Minister of 31 May 2011. Mr Gray said and I quote: 'It is a prerogative of the states and territories to set the level of appropriate remuneration for the parliamentarians.' He also went on to say: 'I have also written in similar terms to other party leaders in your jurisdiction.'

On 15 December 2011, prior to making its final determination, the tribunal conducted, with the assistance of an external consultant, a review of the work of members of parliament at the federal level. The tribunal announced its findings on 15 December 2011. The tribunal did not issue its final determination at this time because it had concerns about the flow-on of this increase to retired MPs. In its interim report the tribunal recommended that links between state MPs and federal MPs should be severed.

So, on 8 March 2012, I wrote to the Leader of the Opposition, Will Hodgman, the Leader of the Greens, Nick McKim, the President, Sue Smith, and also Tom Lynch of the CPSU, enclosing an options paper on how to progress this issue. All options require legislative change, and the preferred option that I put forward was to link the salary of Tasmanian MPs to band 9 of the Tasmanian Public Service at a rate of 97.65 per cent. At no point did I suggest this linkage is because the work of a Tasmanian MP is equivalent to the work of a band 9 public servant. It is a link that is the equivalent dollar rate that would allow for increases in the salary of MPs to be equal to the increases received by public servants. That is the only issue there. Further briefing or information on this matter was offered.

On 8 March of this year, a response from the Greens leader was received and, as you stated, Mr Wilkinson, their position - maybe you didn't state the Greens' position, actually. The Greens' position is that the MPs' salaries should be frozen, but they were happy to negotiate a workable alternative on the floor of the House during the debate on any bill. On 9 March, we received a response from the Leader of the Opposition supporting option 8.3, which was to refer it to the Industrial Commission, and further suggested that a 2 per cent cap be set in the interim period.

On 15 March 2012, I received a response from the President of the Legislative Council conveying general views of members of the Legislative Council. MLCs supported a freeze and a referral to the Industrial Commission for a review to be undertaken with a report no later than 28 February 2013, and to be effective from 1 July 2013. That response was on 15 March this year. Until that time, no determination had been made by the federal tribunal, but on that very day, 15 March 2012, the tribunal made its final determination that from 15 March 2012 each senator's and MHR's base salary was to be \$185 000 per annum.

UNCORRECTED PROOF ISSUE

On 19 April, we presented the Parliamentary Salaries, Superannuation and Allowances Bill 2012. That debate saw no amendments put forward by either the Leader of the Opposition or the Leader of the Greens. All three political parties in the lower House agreed to the bill as put in that House and then, as you know, your own debate occurred last week.

There has been a fair bit of work and correspondence through this period, trying to find a resolution to the matter, and now we are at a point where we have an impasse we must resolve. I believe the best way forward is for me to discuss the issue with members individually.

CHAIR - Any further questions on this area?

Mr HALL - Premier, you said we can be referred to the TIC. Was that part of the bill? I cannot recall.

Ms GIDDINGS - No, the bill links the salary to band 9, but there is nothing preventing you from referring to the TIC for a review of the percentage we have with band 9.

Ms FORREST - Except for the beating you would get from the public and in the media.

Ms GIDDINGS - It is always a sensitive issue. There are people out there who believe we should not be paid anything. We all understand that - it highlights the fact that we need to find a way to resolve this. We are taking on board a position set by the independent industrial commission in respect of state service awards, so we will get the same increase as we expect our public servants to accept, which is fair and equitable.

At the moment that is a 2 per cent increase. That is the state wages policy. Who knows what it will be in the good times? Or whether we have other negotiations that provide better or worse outcomes in terms of pay rises. But, it is far enough away from us, as members of parliament, for there to be no opportunity for us to manipulate negotiations in order to favour ourselves. Whatever we do to favour ourselves in that environment will also favour in excess of 10 000 public servants.

Mr HALL - Premier, regarding an increase in the size of the House of Assembly - this would obviously have a budget impact. You have said you support increasing the size from 25 to 35, but not before we see a turnaround in the budget.

Ms GIDDINGS - Yes.

Mr HALL - What is your definition of a turnaround in the budget?

Ms GIDDINGS - Considering that we are going into the depths in the next financial year, I have concerns about where we are financially. If we see a turnaround and we see revenues increasing and we see us coming out of net debt, then we are moving in the right direction. But if we continue to see declines - if the GST pool continues to shrink and revenues continue to go backwards, then this will not be the highest priority for the government.

Mr HALL - No, but if there is a turnaround in the budget -

Ms GIDDINGS - I may well consider it prior to the next election.

Mr HALL - will you be introducing legislation?

Ms GIDDINGS - May. It depends on whether we see sustainable improvement in the budget, so you may or may not see legislation before the next election.

Mr HALL - The Greens have indicated they are going to introduce legislation this year. Will you be supporting that?

Ms GIDDINGS - I have not seen that legislation. They have not introduced it. I doubt that by that time I will be in a position to say that we are in a sustainable recovery.

Mr HALL - It seems to be an article of faith with the Greens to go from 25 to 35, and you have had some discussions with them in that regard.

Ms GIDDINGS - Interestingly, in the lower House the only party not to go to the last election with a policy of 35 seats was the Labor Party. We did not take that policy to the last election. The only parties to take that position to the people were the Liberal Party and the Greens. We ended up with the lowest number of seats, on that issue. Fifteen members of our House of Assembly were elected on the policy basis of 35 members, 10 were elected on the basis of 25. In that sense the House of Assembly has a mandate for that change, but timing would need to be considered before proposing it. Right now it is not my highest priority. I am not considering legislation and I am not developing legislation.

Mr HALL - I understand that. Has there been any work done in assessing the cost of increasing the parliament?

Ms GIDDINGS - You might recall that we commissioned Professor Peter Boyce to undertake that assessment. Professor Boyce was recommended by the Leader of the Opposition, Will Hodgman, to do the work, as part of a tripartite approach to the issue. Disappointingly, Mr Hodgman pulled out of that process before Peter Boyce even had a chance to report. That report is on the parliamentary website. It has been there since March 2011. I encourage you to have a look at it. From memory, it was a cost of \$3 million -

Mr HALL - Three million dollars for an extra 15 members, with all the support and all the oncosts.

Ms GIDDINGS - Ten members? Ten extra members.

Mr HALL - Sorry, ten extra.

Ms GIDDINGS - It covers all the oncosts you would have, because each of those 10 members would be eligible for their own electorate office and electorate office staff.

Mr HALL - Just a final question: would you concede that an increase from 25 to 35 increases the total bill for parliamentary salaries by about 40 per cent in one hit?

Ms GIDDINGS - I don't have those figures in front of me, so I don't know whether that is a fact. It is irrelevant to the current discussion about increases in parliamentary salaries. People are concerned about individual members of parliament getting a 38 per cent or 40 per cent pay rise. I

share that and I know each and every one of you share it. You will note that my public comments have not said anything else but that.

CHAIR - If we project out to 2014-15, when your estimated surplus is \$241 million, will that be a sufficiently padded economic time to return to 10 extra members of parliament.

Ms GIDDINGS - If we get to that point, possibly yes. Why not? It is a fairly sustainable position, but I want to make sure we are in that position before I go ahead and do anything.

Ms FORREST - Doesn't that depend of a range of other variables, too?

Ms GIDDINGS - That is right, so it is not really something I can answer at this point in time. It is going to require further information.

Mr MULDER - Thank you, Premier, and thank you for that time line. I am not too sure how much different views of history help us. I have a few fairly short questions to try to establish a common idea of where we are now. How we got here is interesting, but I don't think it helps us move forward.

First of all, we are in unanimous agreement that no-one wants the 38 per cent to flow. Any suggestions that this is some greedy grab for pay need to be corrected, and we all have a responsibility to correct those.

[3.15 p.m.]

Ms GIDDINGS - You note that we have not said any of that, and I have been very careful not to put Legislative Councillors in that position.

Mr MULDER - The other issue I understand is that, should we perchance not agree to anything, with the actual pay rise, we would not get any money in our pockets until at least 13 months' time, till July 2013.

Mr FOULSTON - The determination is made between 1 and 14 April by the Auditor-General, and he looks at the salary that applies on 30 June when he makes his determination.

Mr MULDER - So the 38 per cent would flow from 1 July. Okay. The other area was that the 38 per cent in the federal case actually rolled up allowances.

Ms GIDDINGS - That is right. No, it didn't actually, that is what is interesting with this whole process, because originally it was meant to roll up allowances, and the actual outcome of it is that it has not. It is pure salary.

Mr MULDER - So they still have their postal allowances and all those other sorts of allowances. Premier, if we were to perhaps roll our allowances into that, and say we would roll up the allowances, what percentage would the pay rise be then?

Ms GIDDINGS - I don't think you would want to do that, for that very reason, because it would then look as if we had the huge increase when we don't, and it would be different for each member of parliament because of -

Mr MULDER - I am talking about calculating this on total pay rather than basic pay.

Ms FORREST - That is how the media always report our salaries in the paper, all rolled up in one.

Ms GIDDINGS - Yes, they do, and of course we all have different electoral allowances as well, so it differs from member to member. Personally, I think you would be confusing the process, and you are far better off just to keep to the backbench salary, which is where it is and where it has been all this time.

Mr MULDER - In the end, it is the total salary where there is the impact. You said that in discussion of this model we have got to an impasse, not about where we are trying to go, but how we are trying to achieve it. What I am saying is, you have put a model forward that you have stuck to quite well. I think the Legislative Council actually followed through on what we were told some time ago, so we have reached an impasse. What ground would you give for your preferred model in subsequent negotiations?

Ms GIDDINGS - I don't think this is the forum to have those discussions. This is actually budget estimates where we ought to be getting on to examining the estimates of DPAC, and I think we have taken up a fair bit of time already on this matter. That is the discussion I will have with you one on one, Tony, and I will be very happy to hear your ideas at that time and your suggestions. If you would like me to speak to you first, I will do that, in case you have some way of seeing through this that I can share with others as well.

Mr MULDER - I am still waiting for a reply on your last offer to discuss something with me, but anyway.

Ms GIDDINGS - If you would like me to speak to you first, I am very happy to make that happen.

Mr MULDER - Thank you, Chairman. I will take that as a no.

CHAIR - And on the matter, Premier, as to what time we spend on what issue, that is clearly our call. You understand that. We do not need some direction from the other side as to where this committee goes. We will decide what time frames we take, and if we don't get through the process we don't get through the process. That is our problem.

Ms GIDDINGS - Not a problem. It is just the purpose that we are here for, that's all.

CHAIR - I should not have to say it again. I have given my ruling on the matter and that is clear and precise. Any further questions on this area that we are looking at at the moment, and that is, support for members of parliament?

1.2 Support for members of Parliament -

Ms FORREST - Mr Chairman, just with regard to 1.2, the support for members of parliament, the increase in revenue from appropriations and supplies of consumerables in 2012-13 reflects an increase in rental accommodation expenses. There is quite a significant difference there. Is this new offices, is it an increase in rent, or what is it?

UNCORRECTED PROOF ISSUE

Ms GIDDINGS - It is increasing rent which has been the issue for us, and you will see from our savings report that members of parliament, or parliamentary services is one of the areas. Ministerial and parliamentary support is one of the areas where, even though we have made significant savings and reduced our FTEs by about 21 FTEs, we are still not meeting our savings target, and part of that is the cost in rent.

Ms FORREST - Has there been a huge increase in rents across the board? You are getting \$600 000, isn't it, or thereabouts?

Ms GIDDINGS - The issue has been whether or not we were adequately funded for rent in the first place because there is a wide variance of rent according to where your electorate office is. My electorate office in Rosny, in the CBD of Rosny, is far more expensive than the former member for Pembroke's electoral office in Rokeby, for instance.

Mr MULDER - Rumney.

Ms GIDDINGS - Sorry, Rumney, yes you are quite right, the former member for Rumney. Her electorate office was in Rokeby, so there was a variance there. I think you no longer have that electorate office in Rokeby so there is -

Mr MULDER - My contribution to the government's bottom line.

Ms GIDDINGS - increased other costs that are associated across members of parliament to do with rent.

Ms FORREST - This is only House of Assembly members you are talking about anyway. It does say, 'Certain office facilities and staffing support will also be provided to some members of the Legislative Council.'

Ms GIDDINGS - Yes.

Ms FORREST - So that would be the government members of the Legislative Council?

Ms GIDDINGS - No, ministerial parliamentary support goes across all members of House of Assembly.

Ms FORREST - No, I am talking about the Legislative Council. It says here, '... also provided to some members of the Legislative Council.' I assume that is just the government members or member in this case.

Mr FOULSTON - We actually pay for the office that the President has in Ulverstone. That is just an historical -

Ms FORREST - It is too. Her office and government members in the Legislative Council? Not that the only member you have left has one out in the electorate I don't think - yes, he has. Is that paid for by DPAC or by the Legislative Council?

Mr REEVE - The Legislative Council pays for Legislative Council members, we only pay for the House of Assembly.

Ms FORREST - So it just the historical President's office in Ulverstone, which is shared by some of the government members anyway, they use the space.

CHAIR - Any further questions on this output? We will move then to the Office of the Governor, I think. I am not aware, Premier, of any questions in this area anyway, so we will just move on to Premier and Cabinet.

DIVISION 9

(Department of Premier and Cabinet)

Output group 1

Support for executive decision making

1.1 Strategic policy and advice -

CHAIR - Premier, if I might just kick off with that. You gave an overview in your introduction about the budget efficiency measures and what is going on, can I - I have a number here but I won't go down into the detail of all of them - just go to maybe one to get a bit of an understanding or a big of a grab on the efficiency measures which have been put in place? I refer to the wording in the budget papers: 'Efficiencies have been gained in the delivery of corporate services resulting in the abolition of three positions'. Can you provide some details on, first of all, what the efficiencies involve; second, what were the three positions - I don't need names, that wouldn't be appropriate - that were abolished, the nature of the work and the wage level?

Ms GIDDINGS - I will ask Jeff Reeve to answer that.

Mr REEVE - We had a position in the records area which we abolished when it became vacant and we rationalised around that. We had a position that we abolished in the information services branch, which was a technical position in IT and that became vacant due to natural attrition as well. We also had another position vacant due to natural attrition, which was a help desk position.

CHAIR - Thank you. The wage levels, so we can get an idea of the sort of savings which were made?

Mr REEVE - The savings totalled, with on-costs, around about \$250 000.

CHAIR - For those three positions?

Mr REEVE - Yes.

CHAIR - Premier, there are a number of positions currently being held vacant across the department under further review and it may be appropriate if I just ask if you could table the list of those vacant positions rather than systematically work through them now. Do you have a document which the committee could be provided with, which would indicate -

Ms GIDDINGS - Happy to do that for you.

CHAIR - What sort of uptake has there been across the department with regard to the workplace renewal incentives program?

Ms GIDDINGS - Just for DPAC?

CHAIR - Yes.

Mr REEVE - We have had three.

CHAIR - And just the standard procedures applying to them with the incentive payment?

Mr REEVE - There is a cap on the amount which is \$20 000.

CHAIR - Yes, that is the cap, but it does not have to be applied, does it? That is the maximum, and the maximum was paid in each of those three instances?

Mr REEVE - I believe it was. I would have to confirm that, but I believe it was.

CHAIR - Take it on notice, if you like, Jeff, and let us just know before the day is out. I think, Premier, the government vehicle fleet fits within strategic policy and advice, because DPAC would be providing you with advice regarding that.

Mr EDWARDS - Ministerial cars or just general?

CHAIR - I was going to go across the general - it was more appropriate in Treasury. Any further questions with regard to strategic policy and advice?

Ms FORREST - Premier, you mentioned in the budget paper the trade opportunities with Asia. Can you give us some more detail on how much has been allocated for this, and what will it be spent on and how we determine outputs and value for money?

Ms GIDDINGS - Yes, certainly. It is \$100 000 that will be spent on helping to develop this paper and it will be paid out to an outside consultancy. It is not a very big budget for this sort of work. In fact, the federal government has a budget of a few million that they are using to develop their paper so we are really piggy-backing off the back of much of the work the commonwealth is doing. At this stage we are working through who will be the appropriate body or person to undertake that consultancy on our behalf. The full \$100 000 will be paid out through that process.

Ms FORREST - With regard to using an external consultant for this, you don't have the capacity or the skills within to facilitate this?

Mr EDWARDS - In the composition of a white paper there are all sorts of inputs that feed into it so there will be a large range of advice and policy work undertaken by government officers in various departments who have all had aspects of this relationship with trade in Asia, and then obviously some expertise brought in where practical. Perhaps Greg, who is running this for the department, may be happy to talk about it in a bit more detail.

Mr JOHANNES - We are looking at a range of institutions or individuals that the public sector here can partner with and help support with resources and expertise around existing levels of access in areas like education and agriculture to Asian markets, but drawing on an individual or institution's wider experience in the region to identify the key growth opportunities for which Tasmania is likely to have a comparative advantage.

Regarding our capacity to manage that relationship with an outside body, I am quite confident that within the policy portfolio of Premier and Cabinet, where we have significant interaction with these individuals and issues on a daily basis under the auspices of areas such as the Council of Australian Governments or the Council for Australian Federation, we have the capacity to manage a white paper process. We do have some experience in the Department of Premier and Cabinet working directly in leading commonwealth white paper processes.

Ms FORREST - Effectively, outside consultants could be retired altogether; is that what you are saying?

Mr JOHANNES - We have not advised the Premier yet on a recommended final model but one of the models would be to draw on the expertise and resources that the public service has in Tasmania, and drawing on that based on their expertise provide a recommendation to the Premier. Another model would be very much a partnership-based approach where someone like Rhys or me would jointly steer with the individual or the institution working collectively to present recommendations to government. That is what we are working through now.

[3.30 p.m.]

Ms FORREST - Premier, how would you determine outputs and value for money? What are going to be your measures or your KPIs?

Mr JOHANNES - The major KPI in the first instance is delivery on budget within the time frame, which at this stage we are aiming to be the end of the calendar year.

Ms FORREST - This year?

Mr JOHANNES - The end of this calendar year. The most significant KPI around a white paper is whether the government subsequently adopts some or all of the strategies that are recommended and, as a result of adopting those strategies, successfully grows key Asian markets for Tasmanian organisations.

Ms FORREST - Are there any major COAG reform issues at the moment that we should be aware of?

Ms GIDDINGS - There is a huge agenda with COAG, of course.

Mr EDWARDS - The NDIS is the major one at the moment.

Ms GIDDINGS - NDIS is the biggest one, absolutely. We are hoping that Tasmania might be used as an NDIS trial site but the Minister for Community Development should talk more about that. In education, of course, there is the Gonski review that is also been spoken about with the education minister.

Mr EDWARDS - We had the BAF meeting prior to the last COAG around environmental regulation and red tape.

Ms GIDDINGS - Yes, we are engaging with the business community on those issues. There are also the business regulations that we talked about earlier today. There are a number of issues

on the agenda but I don't have an agenda right in front of me that goes through all of them. Yes, a lot of work.

Ms FORREST - Are we likely to see anything flowing through in the next 12 months?

Ms GIDDINGS - Things have been flowing through all the time. Even at the last COAG we signed off on -

Mr EDWARDS - An international partnership on VET reform - new funding for VET reform.

Ms FORREST - As in veterinarians?

Mr EDWARDS - No, it is in Vocational Education and Training.

Ms GIDDINGS - We sign off on a lot of those national partnerships. The ministers do the initial work for us and then it comes up to COAG for sign-off. There have been the reforms in health, education and training, indigenous reform, early childhood development, housing, microeconomic reform, climate change and energy, water reform, natural disaster arrangements and mental health reform, to list just a few.

At our most recent meeting on 13 April, we agreed to the revised national agreement for skills and workforce development, and a new national partnership agreement on skills reform, and we signed a new national partnership agreement supporting national and mental health reform. We reaffirmed our commitment to the national disability insurance scheme and, as we have mentioned, there was the business advisory forum. We agreed to progress six priority areas for major reform to lower costs for business and improve competition and productivity, and we expect there will be two more COAG meetings in this year alone. You can see the work program and you can see decisions at www.coag.gov.au.

Ms FORREST - The comment has often been made in our House, and it was supported by your former leader, that it would be helpful to have these government agreements that result from some of these processes tabled, or for members of parliament to be made aware of what is coming down the line.

Ms GIDDINGS - I think that work program is with COAG; I will have a look to see.

Mr EDWARDS - There is a reasonable amount of information available but I would be open to suggestions. Obviously, DPAC coordinates all of the work leading up to the COAG meetings. There are some confidentiality issues around certain papers and information that goes to COAG but I am open to some mechanisms where the forward agenda has a bit more visibility, if you like, if you think that helps when things end up in the Council.

Ms FORREST - It does help because we have been getting a lot of nationally consistent legislation that sits on top of an IGA somewhere along the way and my request to the leader has always been, 'Can we have a copy of the IGA to give us some direction as to how this has progressed', and having that earlier would make it easier for us to consult. That is a separate issue but it is in your area, though.

Mr HALL - Premier, there was a little bit of a discourse with consultancies, I think you mentioned.

Ms FORREST - Yes.

Mr HALL - Did you ask for a list of those?

Ms FORREST - No.

Mr HALL - Could a list be provided on consultancies?

Mr EDWARDS - Of the consultancies that we had in the last financial year?

Mr HALL - Yes, and the costs, and also communication and advertising costs - how much has been spent on advertising and communications, and a breakdown of those, please, and how much is intended to be spent next year, and can you provide a breakdown. And third, market research, have you conducted any market research in the past year?

Mr EDWARDS - We will look, and if we have we will write a list.

Mr HALL - You will provide some details? Thank you.

CHAIR - Any further with regard to Treasury policy and advice? If not, we will move to social inclusion. Mr Valentine.

1.3 Social inclusion -

Mr VALENTINE - Premier, I had a little bit to do with social inclusion strategies in my last role with the Hobart City Council, and I am aware of how important these sorts of strategies are. I look at the budget and I see it balloons up a bit. You have \$3 654 000 in 2011-12, and \$6 149 000 in 2012-13, and then it goes right down to \$2 102 000 in 2014-15 and \$2 093 000 in 2015-16. I am concerned that we are not going to maintain the momentum of the social inclusion strategy, because we are going through tough times.

As we all know, the community is going through tough times, and there are many people out there who would benefit from some of these strategies. It would probably assist people who might possibly be on the edge of getting into mental health issues and things like that. It would help them to feel more connected and it would benefit the community as a whole. The cost of living strategy and the food security strategy are one aspect, but there are other things like men's sheds and community gardens, and things like that.

Can you tell me what the strategy is for the future, and why the budget allocation is dipping the way it is? What can we do to make sure we continue to get the level of independent advice we need to drive this forward into the future?

Ms GIDDINGS - I welcome to the table Mellissa Gray, Director of the Social Inclusion Unit. I think you will find that increase in funding is due to the increased funding we have put into this year's budget.

Mr VALENTINE - Just the cost of living one?

Ms GIDDINGS - Yes, the \$5 million we have put in is being administered through the Social Inclusion Unit. The Social Inclusion Unit has worked very closely with Professor David Adams in drawing together all the data and material for the social inclusion strategy, and the cost-of-living strategy and the food security strategy have evolved from that work.

Mr VALENTINE - He's going, isn't he? That is what I was a bit concerned about.

Ms GIDDINGS - He is going in October. His work has been tremendous and nation leading, and we certainly do thank him for his contribution. We have done the planning and the research, and we have some fantastic data which we will try to keep it up-to-date, but now it is about putting dollars on the table to make those three strategies mean something. In the current climate we cannot put in huge amounts of money, but the \$5 million for cost-of-living has been a priority. We will be able to see how this work pans out - what benefits come from it - and I hope we can get some good analysis of the outcomes. That will help inform future budget decisions about how best to engage with people who need help most. We are trying to offer a hand-up rather than a handout, by building skills.

Mr VALENTINE - That's right. I appreciate that. How is that going to be reported on and measured in the future?

Ms GIDDINGS - I can ask Mellissa to address that.

Ms GRAY - Whilst there has been significant activity against strategies 1 to 6 in the social inclusion strategy, there has also been a lot of practical and immediate actions across strategies 7 to 10, so there has been significant government activity across all 10 strategies. I can run some of that. A lot of what the Social Inclusion Unit does is work with other government agencies to progress and drive initiatives through those agencies. During 2012, prior to Professor Adams' departure, we will be working with him on a report against the progress of the Cost of Living Strategy, the Food Security Strategy and the Social Inclusion Strategy. That report will be for the Premier, and it will contain Professor Adams' advice on how best to continue the agenda into the future.

Mr VALENTINE - Do we touch base with him again in a few years time?

Ms GIDDINGS - I wouldn't rule that out because he is an expert in this field. But we now have a framework that he helped present for us which we need to implement and then analyse, to work through how beneficial it has been in achieving the aims we want to achieve.

Mr VALENTINE - So the office will continue to exist?

Ms GIDDINGS - The Social Inclusion Office is still in existence and it has been physically brought closer to the policy area. There is a lot of policy work in this area, and people can now work together more effectively. Social inclusion remains a key issue for government.

Mr VALENTINE - That is my concern. I just wanted to make sure that it is going to be driven into the future.

Ms GIDDINGS - Absolutely. And I want to make sure we get the best value out of every dollar we put into this.

CHAIR - Anything further on this output?

Ms FORREST - In a media release you issued in relation to the Housewarming program, which has funding of \$2 million, you said it was:

To fund community centre organisations to deliver house-warming boxes, which will be used to purchase curtains, and draught-proof homes, et cetera.

Will these funds be used for any sort of structural work to a house, or just things like door snakes? If you are going to buy curtains, for example, for a lot of houses, I do not think that money is going to go very far. Are you are going to provide for something useful, like insulation? How do you see this money really hitting the mark and making a difference?

Ms GIDDINGS - One of the aspects of it is to establish a curtain bank, so people can have access to curtains for their house, and the curtains may well follow them wherever they go, if that is deemed best.

Ms FORREST - Would the windows be the same size?

Ms GIDDINGS - If not, you take the curtains back to the curtain bank and get curtains that will suit your new house. That concept is designed to help people furnish their windows, without having to use sheets.

Ms FORREST - Would you be seeking donations for that sort of thing?

Ms GIDDINGS - There would be opportunities for people to contribute, because it would be administered through the NGO sector. We will not physically have a curtain bank ourselves. We could use our funds as a point of encouragement - for people to donate either money or goods.

Also, when you are dealing with private homes for tenants, it is not necessarily appropriate to spend government moneys on improvements. But things like curtains, and door snakes for draught proofing, can be provided, and we know the tenant benefits from that, not just the homeowner.

Ms FORREST - One of the Tasmanian Leaders Program projects was '100 door snakes in 100 days'.

Ms GIDDINGS - Yes. It is very, very effective.

Ms FORREST - In the aged care, we used to knit 100 snakes with donated material, to give to 100 houses in 100 days.

Ms GIDDINGS - It is a simple measure, but a very effective one. The other item that has not been funded in this year's budget, but was funded in last year's budget, is our work with the NILS program. This program loaned funds for things like the purchase of heatpumps. They are an expensive upfront cost, but over a long period of time they are far cheaper to run. We want to help people with simple things that can make a huge difference to their lives, and the costs they are incurring.

CHAIR - It might be an opportune time to take a break, Premier, and we will reconvene at 4 o'clock.

The committee suspended from 3.45 p.m. to 4.02 p.m.

**Output group 2
Government processes and services**

2.1 Management of executive government processes -

Mr WILKINSON - Can I ask, what has the impact of the savings strategies on this item been and can you provide some details, please?

Ms GIDDINGS - The decrease in 2012-13 primarily reflects the reallocation of funding for the office of Security and Emergency Management from output 2.1 to output 7.1, now called Local government, security and emergency management, and that was a saving of \$424 000. Relocation of funding for the cost of the Frank MacDonald prize trip from output 2.1 to output 6.1 Community development - policy advice and ongoing community development, is a transfer of \$424 000 for the previous one and a transfer of \$120 000 for the Frank MacDonald trip. The general reduction is due to the implementation of the budget management strategies for 2012-13 and the flow-on effect of budget management strategies from previous years that have been proportionately applied across the department and the redistribution of corporate overheads to more accurately reflect the cost of this output.

The decrease in 2013-14 and 2014-15 reflects a flow-on effect of budget management strategies from previous years and the increase in 2015-16 reflects the effect of salary and non-salary indexation to reflect the cost of providing services under this output.

Mr WILKINSON - In relation to that, what is happening? Are there any people taking voluntary redundancies, or any people being requested to move on?

Mr FOULSTON - We had one person in my area take a workplace - WRIP or whatever that is called, the incentive program - and I have probably, on average, during this year had about three vacancies that we have not filled, which has allowed us to meet our budget targets.

Mr WILKINSON - A silly question, but who thought of WRIP?

Ms GIDDINGS - It is the Workforce Renewal Incentive Program.

Mr EDWARDS[?] - I am looking to the back of the room now.

Laughter.

Mr VALENTINE - Anyone who takes one is called a ripper.

Mr WILKINSON - Frank Ogle is looking very distraught. I do not know how he is looking but he is not saying anything. I thought I would ask because I was interested.

UNCORRECTED PROOF ISSUE

In relation to the Premier's sundry grants, previously we have been given, have we not, a line item as to what the sundry grants amount to. I could not find it under this section, is it because I am getting blind in my old age?

Ms GIDDINGS - It is under 2.1 Management of executive government processes. The Premier's sundry grant program was changed to the Premier's Discretionary Fund and the Government Donations and Appeals Fund following the report of the Auditor-General in 2011. There are two funds now out of the original Premier's Sundry Grant Program and the Government Donations and Appeals Fund was primarily established because a number of those contributions are made on a recurrent basis, for instance, the Red Cross Authority being one of those. We decided that rather than confuse them in with the discretionary that one should be the one-off sort of amounts and the other are the recurrent amounts, so it is very transparent around the issues.

Both funds support community and cultural activities with national or statewide significance, and community and cultural activities at a local level. The Premier's Discretionary Fund is essentially for one-off discretionary payments under \$10 000 and the Government Donations and Appeals Fund covers donations from recurrent contributions to community and cultural activities. The combined budget for the Premier's Discretionary Fund and the Government Donations and Appeals Fund for 2011-12 was \$480 000.

As of 31 March 2012, \$180 130 was spent on the Premier's Discretionary Fund and \$175 239 was spent on the Government Donations and Appeals Funds with further commitments of \$101 355. Total commitments to date equate to \$456 724. Fifty-five requests for funding were received and not granted in 2011-12. As of 31 March 2012, the largest payments that were made included \$50 000 for the National Heart Foundation of Australia; \$30 000 for the Salvation Army; \$12 000 for Hobart Royal Regatta Association; \$10 000 for the Tasmanian Craft Fair; \$10 000 for the Special Olympics Australia; \$10 000 for the Greek community of Tasmania; \$10 000 for the Glamorgan-Spring Bay Council; \$10 000 for Kingborough Bowls Club; and \$7 500 for the Penguin Bowls Club.

Mr WILKINSON - Is that all of the recipients, Premier?

Ms GIDDINGS - No, there are more than that.

Mr WILKINSON - What normally happens is that we ask for them to be tabled, if we can, to save you going through them one by one. Are you happy to do that?

Ms GIDDINGS - We certainly can table those. We will organise that for you.

CHAIR - Any further questions in 2.1? We move then to 2.2.

2.2 Principal and subordinate legislation -

Ms FORREST - I noticed that this output group has taken a bit of a reduction as well and particularly if we look at last year's forward estimates it was even more of a significant reduction.

Ms GIDDINGS - Can I interrupt and table that information immediately for you so you do not have to ask for it?

CHAIR - We have a copy.

Ms GIDDINGS - Okay, we can table a copy for you now.

Ms FORREST - Just getting back to this line item. There is just under a \$400 000 reduction, which is on the back of last year's budget that is a significant reduction as well. How will this affect or impact on this area because you have some important legislation coming up? I assume something is going to be coming our way or someone's way before 1 July in relation to the forestry agreement, if there is one, and that sort of thing. How will those reductions in allocations be managed?

Ms GIDDINGS - This is under 2.2 you are talking about, with OPC?

Ms FORREST - Yes.

Mr FOULSTON - You might remember last year we talked about the tender for the printing of gazettes and bills, et cetera, so we have some savings built in because we have now moved to the online *Gazette* and we have moved to the new arrangements with the printing of bills and acts, and we are predicting a high degree of savings hopefully from people moving from the printed *Gazette* to the online *Gazette*, so something that is reflected in this figure is the lower than anticipated cost for that printing, rather than the work of Parliamentary Counsel in drafting legislation.

Ms FORREST - So you expect all of the savings to be made through that?

Mr FOULSTON - Probably not all of the savings, but the majority of the savings would come from those sorts of changes. Presumably they have the flow-on of the budget management strategies that are affecting the rest of the department.

Ms FORREST - I don't know if it still happens, but when I used to work in hospitals and that sort of thing there were always *Gazettes* everywhere around the place. Are they going to be a thing of the past?

Mr FOULSTON - At the moment we have a project where we have people going through the list of all the printed *Gazettes* that people are ordering, and telling people that they are available online, do they still want to receive printed ones because they can get them for free. We have been paying for them centrally and we will not be paying for them centrally for much longer, so they will have to make a choice themselves then as to whether they want to pay for them or take it for free offline and, surprisingly, a lot of people are taking them for free offline.

Mr EDWARDS - So, for example, within DPAC I have put out a request saying you will take it online and then you need to sort of argue if you need a hard copy, and various agencies will have different views about how to do that. I suspect once we put a price signal in, most people will look very hard about whether they pay.

Ms FORREST - I have just tried to cancel now, and it seems to be still coming in hard form.

Mr FOULSTON - Does it?

Ms FORREST - Yes, and we have the RSS feed. I think a subscription service would be better, quite frankly, than an RSS feed, but that is sufficing at the moment. Is an online subscription service being looked at?

Mr FOULSTON - We haven't looked at that yet, but we wanted to get the *Gazette* online and up and running to make sure it was robust.

Ms FORREST - I commend you for it, because I have been asking for it for years.

Mr FOULSTON - Yes, we will be looking to improve the service once we are comfortable that it is working properly.

Ms FORREST - Are you saying that you are going to take a targeted approach, to try to reduce the printed copies, actually contacting people who do receive a hard copy?

Mr FOULSTON - Yes.

2.3 Tasmanian Government courier -

CHAIR - Premier, the only question I have is as to what impact, if any, is there on the area of the government courier as a result of the savings strategies.

Ms GIDDINGS - We had one employee accepted a WRIP, but the position was subsequently utilised for the fixed-term employment of a young person from the disability employment register, so the department also relies on casual relief to provide assistance when full-time staff take leave, but there is no intention of reducing staffing levels or altering the scope of the service.

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

Mr HALL - I will ask the same question as you did on the last one. What are the impacts of any savings strategies in that area?

Mr EDWARDS - This is Jeff's area.

Mr REEVE - There has only been a very general effect of the strategies. They have impacted across departments in a reduced level of corporate services to DPAC as well as ministerial, but nothing specifically that I could point to that would be a specific effect on ministerial.

Ms FORREST - The only other thing I would ask on this is does this cover rentals of other offices and things like that? Other support we are talking about here.

Mr REEVE - No, the rental for ministerial offices is in Ministerial and parliamentary support.

Ms FORREST - It is all under that?

Mr REEVE - Yes.

Ms FORREST - Because there is a reduction in the budget here as opposed to an increase.

Mr EDWARDS - This is a redistribution of our corporate overheads. That accounts for most of that decline.

Mr REEVE - There has been a slight reduction, I guess, in some areas of rent in DPAC due to consolidating our footprint across the board, so that would be included in the reduction in that item here.

**Output group 3 -
Electronic services for government agencies and the community**

3.1 Information and communications technology (ICT) policy development and implementation -

Mrs ARMITAGE - I am wondering if you can explain what is happening here with implementation and the maintenance. I assume that the larger amount in the first budget is to implement and then it is maintenance after that. Can you explain actually what is happening here with this? Is it NBN?

[4.15 p.m.]

Ms GIDDINGS - No, it is not NBN. It is our own investment in ICT and whole-of-government frameworks. I believe it is all part of the overall reforms in e-mail and all of those sorts of things. I have Kathy Baker at the table who is the acting deputy secretary in this area.

Mrs ARMITAGE - What does it actually involve?

Ms BAKER - 3.1 is the output group for the Office of eGovernment. The Office of eGovernment's key objectives are to assist agencies to understand how they can use ICT to improve productivity, provide policy advice and leadership, support ICT activities within the Tasmanian government and support whole-of-government ICT governance arrangements and major ICT projects within the Tasmanian government. Rhys is chair of the ICT policy board and one of the key functions of the Office of eGovernment is to provide policy advice to the ICT policy board.

Mr EDWARDS - This output has changed over the years, particularly in the past 12 to 18 months with greater emphasis on supporting the ICT policy board and the work that we are doing to drive better whole-of-government provision of ICT services. Some of the reduction in the funding under 3.1 is to do with the cessation of funding for the Tasmanian Electronic Commerce Centre.

Mrs ARMITAGE - So that is the reason it has gone from \$1.887 to \$1.216 in a downward trend?

Mr EDWARDS - I have \$1.923 to \$1.254. Is that right?

Ms FORREST - It depends on whether you are looking at the appropriation or the expense summary. That is the variation.

Mr EDWARDS - Yes, roughly. In that unit we have done a lot of work over the past few years in refocusing the work of it and, as I mentioned in the Premier's overview, we have

UNCORRECTED PROOF ISSUE

abolished about five positions out of that unit so some of those reductions would be because of reduced staff numbers and some of it would be because of reduced funding for the TCC.

Mr VALENTINE - With respect to the project management framework - and I know that is work that has been performed in that particular unit over many years - harking back to my public service days, it was always very useful, as was the training that came out of it. Is that going to continue? It has a really high profile not just in Tasmania but nationally and internationally, I believe, and getting a bit of an analysis on the hits on the website would be an interesting thing with regard to the project management framework. Are we going to see that continue?

Mr EDWARDS - One of the benefits of all of that work in the early years was that we developed a project management framework and an approach in government to that. As you say, it was recognised nationally and even internationally. We have had many people downloading it from other countries. But it has become ubiquitous. It was promulgated well, it was supported centrally through DPAC, and now it is the common project management framework across our agencies. It is used all the time and there is a significant body of knowledge in agencies around it.

What I see now, particularly in the major project field, is some of the other types of project quality assurance processes coming into place like Gateway and others. We have new models in terms of those types of review services and the review services component of that project management I do not think was an ongoing business for DPAC.

Mr VALENTINE - My only concern is that it may not be mandated across the agencies. I know that in some agencies I have had engagements with they do not always bottle it. Is there a chance of being able to push that harder so that you have less project failure because you have good process? It is a good framework but, unfortunately, if it is not being promoted through that office then it is going to fall into less use and we lose the advantage of having a really good project manager, and people will be coming in from other businesses and applying their own formats and this not being continually practised. There is an advantage because you have movement of people from one agency to another and they have the same understanding, the same pro formas that are used and all these sorts of things.

Mr EDWARDS - My feeling was that it was reasonably ubiquitous but you making some interesting points and I think we need to monitor that to make sure that it wasn't falling away. I believe the initial work of that office did get this widely disseminated. All agencies took it on board. I agree with you, there is always sometimes patchy use, but my sense was that we had cracked that nut, but we will continue to look at it and make sure that it does not slip off and we lose that very robust project management framework that we have.

Mr VALENTINE - You cannot get the cane out and say, 'You must. You must. You must.' But it would be great.

Mr EDWARDS - Occasionally I like the cane.

Laughter.

Mr MULDER - Now you have the Premier excited. Would you like the opportunity for *Hansard* to correct that statement?

Ms FORREST - It is on the record now, it will come back, don't worry.

Mr MULDER - Perhaps uncrack the nut.

CHAIR - You don't want to take it any further than this?

Mr VALENTINE - No, I don't think I need to take that any further. I don't want to make him a whipping boy.

Mr MULDER - Are we heading down the path of the Safe At Work Program?

CHAIR - Anything further under this item? We move then to 3.2, which is related to Service Tasmania.

3.2 Management and ongoing development of Service Tasmania -

Mr WILKINSON - Am I right in saying there are about 27 Service Tasmania shops within Tasmania? In New South Wales there are, I understand, five or seven?

Ms FORREST - Service Tasmania offices?

Mr WILKINSON - No, Service New South Wales offices, I suppose they are called, I don't know.

Ms BAKER - The New South Wales government is in the process of getting the Service New South Wales initiative off the ground. It hasn't commenced yet, but it is a priority program for their current government.

Mr WILKINSON - Can I ask the government's views in relation to Service Tasmania offices? They are extremely good and most people who have them in their area applaud them. But with government funding is there any belief that there could be a couple less than what there are at present?

Ms GIDDINGS - I am very happy for Kathy to talk you through what is happening with Service Tasmania shops. I did understand that Legislative Councillors had been briefed on the changes because we have to find savings. There are some Service Tasmania shops that are overused in some respects and others that are underutilised, more on the underutilised side of it now than the really busy shops. That is partly because people are shifting to the internet to do a lot more of their business as well, which is what we want them to do and that is what will continue to happen.

We have been able to look at strategies of reducing hours across our shops. In fact, I will have to slightly correct the record in the lower House from the information we gave them yesterday because the two busiest Service Tasmania shops that exist are Glenorchy and Launceston. Both of those shops are category A shops and they will be open for eight hours a day, which is a slight reduction in their opening hours. There are 45 minutes less in Launceston and 30 minutes less in Glenorchy. What we have done, though, is to look at when the peak times are for those shops to be used.

What we will be doing is putting more staff into those shops at the peak periods. In effect, Glenorchy will receive an increase in FTE of 0.4 to ensure that there are more staff available at

the time that people want to use those services. There is a fair bit of work going on there and I am very happy for Kathy to outline some of that to you.

Ms BAKER - There is a board that oversees the operations of Service Tasmania and they have a commitment to ensuring the ongoing sustainability of the shop network. It is our most costly service delivery channel to operate and consumes a large part of the Service Tasmania budget. As part of that process the board commissioned what we have termed a service provision review, which is looking at the increased amount of data that we have available to us to make some informed decisions on how the shops should deliver their services into the future.

There are three key recommendations that have arisen as a result of that review. First of all, there is the introduction of four shop categories - shop categories A, B, C and D, which is based on the shop transaction volumes - and we will be looking at having consistent opening hours for each shop in those categories.

Second, there is the phasing out of 9-day and 19-day working arrangements, which a number of our staff are currently entitled to, and I am sure the committee would appreciate that for our staff to have those provisions and take their day off requires us to have a higher FTE level to ensure and maintain our level of service delivery.

Third, there is the establishment of consistent pre-opening and post-closing time of business. But there is an allocated amount of time for each shop to do their pre-opening activities to get their cash drawers out and get the shop set up for the day. There is an allocated set amount of time at the end of the day for the staff to do their balance in the close of the shop.

We are looking at implementing those changes from 1 January 2013. We acknowledge that there is much staff consultation and community consultation that we need to undertake to implement that because individual staff will be affected in a variety of ways and we need to manage those three with our staff.

Mr WILKINSON - So there is no suggestion, at this stage at any rate, that any of the shops are closing?

Ms BAKER - No, one of the firm directions that we had from the board was to look at maintaining the existing shop network and it was certainly the advice that we had from the Premier that it was the request of the government that the existing shop network be maintained.

Mr VALENTINE - One thing that I used to bring up quite regularly with your predecessors, Premier, around the Premier's local government council table was the fact that when we look at local government activity and improving its efficiencies and all those sorts of things, that we ought to be doing it in concert with government, and this is one area that really needs a little more work on it.

I know that, for instance, in Glenorchy they are looking at co-locating with the council in a building that is going to be developed out there but you will still have separate desks for the Service Tasmania function, I imagine. Is there an opportunity to look at working with local government to see if they cannot deliver some of those services for the dollar rather than the resources of the government going into the rental of properties and those sorts of things?

UNCORRECTED PROOF ISSUE

It is an opportunity where that conversation needs to take place and I know it has happened in certain more regional and rural locations. But in the city we have Service Tasmania and we have the Hobart City Council and they both have quite significant service arrangements and they could be merged.

I have not passed this by them; I am just saying it is an opportunity.

Ms BAKER - We have had some high level discussions with the Glenorchy City Council about a co-location arrangement and part of those discussions and the terms of reference that are under development are about Service Tasmania actually delivering a range of front-of-house services on behalf of the council, not maintaining two separate customer service points.

Mr VALENTINE - That is good, that is encouraging.

Ms BAKER - So there would be one under the current concept, where we would deliver a range of front-of-house activities on behalf of the council, and council would have the opportunity to call in council expertise as it was needed. So if someone required planning advice and presented at the front counter, council staff members would come out and handle that inquiry. But the initial inquiry about how much it costs, what forms they need to lodge, et cetera, could be handled by a generic-skin customer service officer.

Mr VALENTINE - Yes, exactly right. I guess that is what I am saying; there could be FTEs that can be saved in that process.

Mrs ARMITAGE - Premier, how have the proposed changes been taken by staff? The fact that there are going to be cuts to hours - I know that staff are not losing their jobs but they are certainly losing a considerable number of hours - so how has that been received?

Ms GIDDINGS - I will allow Kathy to respond directly to you about that but I might just say that I absolutely commend Kathy and her team for the work they have undertaken in the consultation with their staff as well. Normally in these sorts of processes of change, if people are unhappy you hear about it on the front page of the newspaper. The fact that we have not does not mean that people are not uncomfortable or uncertain in that respect. But they certainly, I think, have been kept well informed and consulted through these changes.

Ms BAKER - As part of the board's commitment to implementing the change, they have resourced the position of a change manager and their sole job is basically to manage the staff consultation so that people are informed. What we are most committed to, and very mindful of, is the need to provide our staff with advanced notice of the forthcoming changes. There is going to be a round of shop visits together with individual meetings held with staff to understand what their personal circumstances are and achieve the position that we need to by negotiation.

Mrs ARMITAGE - I thank you for the briefing notes too - they are very interesting. One thing I would like to ask you on behalf of the member for Apsley is with regard to the situation on Flinders Island, as I believe that is changing. Service Tasmania on Flinders Island is changing?

[4.30 p.m.]

Ms BAKER - There are a couple of things with Flinders Island. First, they are subject to the findings of the service provision review, and a range of changes are likely to happen as far as their opening hours go. The second issue we have on Flinders Island is in relation to a number of

UNCORRECTED PROOF ISSUE

short-term shop closures that have occurred, particularly in the last financial year. Short-term closures happen for a variety of reasons. The St Helens shop was closed last Friday due to flooding. It has been exacerbated by the current budget climate and the need for Service Tasmania to manage within its existing allocation, and we need to make some strategic decisions on whether or not additional funding is provided to pay for additional staff hours.

Mrs ARMITAGE - So there will continue to be Service Tasmania on Flinders Island?

Ms BAKER - Yes. There is no intention to reduce the existing network of 27 shops.

Mrs ARMITAGE - You know that the Launceston shop is extremely busy, and not just in the middle of the day. I have been there at 4 p.m. when it has been close to closing, and the line goes out the door. It interesting to hear that some shops are under-utilised, and also to hear from Rob regarding local government. Local government is required to collect the fire service levy on behalf of the state government - could the state government take that back and collect it through Service Tasmania, because I am sure -

Mr VALENTINE - Local government would be happy.

Mrs ARMITAGE - Exactly. The community tends to believe it is a local government fee, and if some shops are under-utilised, perhaps you could take back that fee.

Mr VALENTINE - I guess it points up -

Ms GIDDINGS - I am thinking about the bits that people pick and choose as to what they like and what they don't like. There will be some local governments which are happy to have that income stream, because we pay them to collect that levy for us.

Mrs ARMITAGE - There is a cost involved in doing it though.

Ms GIDDINGS - Yes, and we pay for that.

Mrs ARMITAGE - Oh, I appreciate that, but I hope there is great income in it.

Mr VALENTINE - If we are talking about reducing opening hours, council offices are open from around 8.30 to 5.15 every day. They are not going to close early. If they were co-located and an arrangement was worked out, there wouldn't have to be any closure of Service Tasmania shops. That is basically what I am trying to say.

Ms GIDDINGS - I think that has been heard, and obviously not all areas have Service Tasmania shops. We use other mechanisms to ensure there is access to government services, whether it is through local government, or through other agencies in the community, and we have relationships -

Ms FORREST - Post offices are used.

Ms GIDDINGS - Yes, there have been post offices, banks.

Mr VALENTINE - Local government would have to agree. Don't let it be reported that I am saying -

Ms FORREST - It will be. It's on *Hansard*, so tough.

Mr MULDER - If you have your way there won't be any Glenorchy City Council.

CHAIR - I detect that there are no further questions in that area, so we will move to 3.3.

3.3 Delivery of IT services -

Ms FORREST - Premier, footnote 9 on page 10.6 says 'the decrease in delivery of IT services in 2012-13 reflects the cessation of funding for the IT Transformation, Creating Government's Technology Future program, and changes to telecommunications and IT costs from 2013-14'. Previously, you said you see a real future in IT and growth in that area, and I would agree with you. What has been achieved through the IT Transformation, Creating Government's Technology and Future program? Were all projects complete as expected, and what benefits and savings has this created?

Mr EDWARDS - I introduce Piero Peroni, the general manager of TMD - the part of DPAC that looks after this area. One reason why the numbers look the way they do in the budget is because we are part way through this process, so we had some significant additional project funding. We have been spending that project funding doing a range of things, but in particular e-mail and identity management. As we are going through that project and transitioning to the whole-of-government e-mail service, that money is being expended. There is still a bit of money left, and there will be new projects coming on board. We are doing some work on data centres in the next little while, and maybe something on customer contact centres. There will be new project funding coming in and then being expended. That gives you that lumpy profile.

Ms FORREST - Yes.

Mr EDWARDS - I will hand over to Piero and he can talk a bit about the project work that has been happening to date.

Mr PERONI - The vast majority of that funding was for the consolidation of e-mail, taking 12 e-mail systems around government into one. It is a three-year program and we expect to deliver on time, and maybe even slightly earlier.

Ms FORREST - What is the delivery date?

Mr PERONI - At the end of the coming financial year - June 2013. We are on track to deliver - maybe even slightly earlier. We have transitioned about 15 000 employees to the whole-of-government e-mail system and we are in the process now of working with Health to transition all of their employees to the new system. That is going well - that is on track. Additional funding was provided for the transformation of TMD as a service provider. We are refocusing on whole-of-government initiatives, and providing fewer niche solutions to specific agencies. We are consolidating into whole-of-government solutions, for example focusing on the new telephony system that will have to be put in place over the coming 18 months in government. We are focusing on the whole-of-government e-mail and identity management, as Rhys mentioned, as well as whole-of-government HR and finance systems. We are consolidating, refocusing and delivering those services that make sense across the government. We represent the commodity services that are required across government so we can leverage whole-of-government buying

power. We are transforming our business to provide better value, and the changes required will be delivered by 2013.

Ms FORREST - What things are in the pipeline? The Premier mentioned the need to really grow this area, and have a major focus on this area.

Mr EDWARDS - We currently have a lot on our plate. E-mail transformation and retendering for the voice services are the big things at the moment. You probably heard Rebecca Burton in the previous couple of estimates talk about coming off the old Spectrum service of 22 000 lines onto a new VoIP telephony service. That is a major project, which is out being tendered at the moment, and the implementation will be happening over the next year to 18 months.

Mr PERONI - By March 2014 we will need to transition all of government's telephony to the new platform because that is when the contract with our current provider ceases.

Ms FORREST - What sort of savings is that going to create?

Mr PERONI - It is hard to say at this stage exactly what the pricing will be because we are going through a tendering process. The need for change is driven by the fact that the technology is old and redundant and no longer supported. It is not a change driven by government but rather by the market. We are required to get off that platform. The new technology is quite different and the tender process is probably four to six weeks from being completed.

Mr EDWARDS - The new VoIP technology also gives you an enhanced ranged of productivity with tools on your desktop like calendaring. Hopefully, there will be some improved cost structures in the future with this new technology, but, most importantly, we will have a better set of tools available for the people who work in our service. In essence, there is a trade off there between cost, and being able to do it.

Ms FORREST - Greater efficiencies?

Mr EDWARDS - Yes, in terms of the way you work, though - not necessarily dollar efficiency in delivery of that telephony service, but certainly an improved way of working. Voice and e-mail are the current projects, but we have been spending a lot of time thinking about the management of data centres across the state service, and the need for common infrastructure that can support our increasing data storage needs. Once you have a common platform for data storage and e-mail and security and identity management, then we can look at systems for commodity-type services across government like HR and finance. We are looking at them next, and we expect to develop early stage pre-feasibility studies or business cases for these areas. That will be the program of work for a couple of years hence and, as I said, we have a small project looking at customer service centres across government.

There is a big program of potential activity all of which drives improvement in the way we run our business, either improved commodity services, better pricing and better management, and ultimately the ability to manage those things centrally on a whole-of-government basis that it really should be because they are not niche applications in agencies.

This is one of the most significant programs of activity going forward in the way we have changed doing our business. It has been very well done and the team at TMD have done a great

job in the work that we have to date. Once we finish these parts of it there are plenty more things to keep going with.

Mr PERONI - It is really important to be successful in what we have committed to before stepping to the next phase.

CHAIR - Anything further in 3.3?

Output group 4
State Service management

4.1 State Service employment and management -

Mr HALL - As I understand there is a state service governance review. Is that is the case could I have an update on that, please?

Ms GIDDINGS - Yes, certainly. We commissioned George O'Farrell to undertake a state service governance review for us and he has now presented a report that we have out for consultation with key stakeholders to get some feedback on. That report is in the public arena as a result of that. It is not a final report to government yet, though. We are yet to receive the final recommendations after that consultation for us to proceed with. The sorts of recommendations that it is looking at, for instance, is to no longer have the role of the state service commissioner, but to have those powers placed into a different role within the Department of Premier and Cabinet. It is there for people if they want to look at it and we are happy to provide you with further information if you would like that.

Mr HALL - When is it likely to be ticked off? Do you have a time frame on that?

Mr EDWARDS - I imagine that the current consultations with the key stakeholders are going to occur over the next month or so. One of those is some discussions with the opposition party, the Greens and the Legislative Council on the form of the recommendations and what legislation. Ultimately, to implement the O'Farrell report, you will need to change the State Service Act. We will then on the back of those consultations be taking something back to the Premier as the minister for the State Service Act and to cabinet. If the thrust of the reforms is agreed, there will be the normal process of drafting legislation and I would be recommending something coming to parliament towards the end of the year.

Mr HALL - Yesterday I asked a question about employee numbers right across - was that across the state service generally? I was asked to ask the question today.

Ms GIDDINGS - That is right, you can. I have Frank Ogle, the Director of Public Sector Management Office here to help with those questions.

Mr HALL - I have lost the question. I cannot remember what it was now.

Laughter.

Ms FORREST - You were asking about the size of the public service, weren't you?

Mr HALL - Yes, I think I was. I will have to go back to my notes from yesterday now.

UNCORRECTED PROOF ISSUE

Ms GIDDINGS - We can give you an update on the number of FTEs, for instance, that have been reduced through our savings measures.

Mr HALL - I have seen those in the March -

Ms GIDDINGS - It is more than that now. There were 1 100 in that.

Mr HALL - That is right. Now it all comes back to me, Premier.

Ms GIDDINGS - Good, I am glad we triggered.

Mr HALL - It was an update on that March job.

Ms GIDDINGS - It is 1 370 that we are up to now, so that is an increase from the 1 100 that we had in the March quarter report.

Mrs ARMITAGE - The areas they have come from?

Mr OGLE - When you say areas do you mean departments?

Mrs ARMITAGE - Yes.

Mr OGLE - I can go through those departments if you like: Department of Economic Development, Tourism and the Arts - the variation there has been -

Mrs ARMITAGE - Could you provide it in writing? Would that be easier for you? Is there much there?

Ms GIDDINGS - Not that much there to go through.

Mr OGLE - These are counting permanent fixed term. You would have to add casual employees to that converted to FTEs, but: Department of Economic Development - the reduction there has been 50; Department of Education - the reduction has been 350; the Department of Health and Human Services, the reduction being 635; the Department of Infrastructure, Energy and Resources, the reduction has been 29; Justice, 7; Police and Emergency Management in terms of state service employment has been 29; the Department of Premier and Cabinet, 10; Primary Industries, 64; Treasury, 13; Port Arthur Historic Site Management Authority, 8; Tasmanian Audit Office, 3; Integrity Commission, 3; Skills Institute, minus 60 and Fire, minus 13. That adds up to 1 274 but you have to add to that some casual employees that are also a reduction.

[4.45 p.m.]

Ms FORREST - Just clarify the minus 60; does that mean you have put 60 on?

Mr OGLE - No, minus, less than 60; minus 60 reduction.

Ms FORREST - Right, okay.

Mrs ARMITAGE - Could we have a breakdown of the education 350, and DHHS 635? Are you able to provide a breakdown? Not necessarily now but table a breakdown of that?

Ms GIDDINGS - You might be better to ask those departments when they come before you.

Mrs ARMITAGE - I thought you might have had that. You do not have the breakdown?

Ms GIDDINGS - We have the global figures, they have the breakdowns. We are only interested in the global figures.

Mrs ARMITAGE - No, that is okay. I just thought you might have had it there.

Ms FORREST - But it is 1 370 FTEs?

Mr OGLE - Correct.

Mr HALL - Thank you, Premier. That is all I have on that and I am glad that the Chair has a memory like an elephant and reminded me.

Ms FORREST - How many do you expect to achieve by the end of the financial year? You have 1 370 now; that is 270 since March.

Ms GIDDINGS - We have always said the savings target that we originally set last year was equivalent to 1 700 jobs but it would not necessarily mean 1 700 jobs because we are trying to find savings across government that are not jobs, in the first instance, but inevitably there will be some.

The most important figure here is agencies achieving their savings targets because if they are, then we could stop at this point of 1 300, so to speak - it might be more in that way as well. All agencies are on target other than Health and Human Services, Justice, and ministerial and parliamentary, which we discussed this morning in Treasury.

Ms FORREST - So do you expect there will still be more before the end of the financial year?

Mr OGLE - What the Premier says is correct; it depends on the budget. Most agencies have been through the majority of their reductions for this financial year. My judgment is that there will be some slight reductions but not in the past month or so. Remember these figures I gave you are at March.

Ms FORREST - The reason I ask the question is that the savings need to be made. There is no reason why additional savings could not be made. I know that all departments have had a big ask generally and it has been commendable that the majority of them have been able to achieve the saving targets that have been given. Most of them have a 2 per cent requirement again this coming year and there will be, I suggest, positions that may no longer be needed. I know the savings will be looked at across the board again but the easy decisions would have already been made. You cannot afford to have departments take their eye off the ball.

Ms GIDDINGS - No, they can't, and they will have to find an additional 2 per cent across all agencies. That is something we will have to discuss with individual agencies. In the Department of Premier and Cabinet we will need to work through the additional savings in this department that they need to find. Everything is constantly under review to help us find those savings and

obviously strict vacancy control is one of the key areas that you can. Some agencies may well need to discuss other ways of finding those savings but they are questions that would need to be raised with individual agencies.

Mr OGLE - You need to remember that the workforce review and the incentive program was not necessarily about reducing numbers. People were provided with the incentive to leave and they were replaced. The business case had to justify the replacement at a lower level. That program commenced in education with teachers - teachers volunteered to proceed and in a sense the whole program was based on recruiting graduates so a number of other agencies, for instance. DIER did that with senior people and recruited graduates. I think that figure was 474 took the workforce renewal so it did not actually reduce the FTEs necessarily -

Ms FORREST - It reduced the wages bill though.

Mr OGLE - but it reduced the wages bill.

Ms FORREST - As far as DPAC goes, Premier, you said the since you have become Premier you have eliminated 27 positions from ministerial offices. Are there any more, do you think, you will be able to do as far as staff reductions or that you require?

Ms GIDDINGS - We are not in that output group any more and the staff involved in that area have gone. Of course we will continue to look at where we can make savings across ministerial offices in that respect, but like in all parts of government, there is a point where you get to real staffing numbers that to go below that, you would actually end up interfering with the work that is required of us. That is the difficulty. That is why it is so important that we have looked at travel and our own other costs in ministerial offices to try to bring those costs down.

Ms FORREST - You have probably answered this but I am clarifying, Premier. The wage agreements in negotiation that you have coming up over the next couple of years - the teachers are obviously one of them that is coming up very soon; what others are coming up in the next two years?

Mr OGLE - We have the teachers, both the K to year 10s and the post-year 10s are in the final throes of negotiations and we are hopeful of outcomes. We have made an offer to the education unions and it is now a matter of them taking that to their membership for a vote.

We are working with mainly HACSU but a bit of the CPSU in terms of the allied health professionals. At the end of the year we will have ambulance officers and that will probably be enough.

Ms FORREST - Enough for whom?

Laughter.

Mr EDWARDS - For Frank. He will deserve his Christmas break this year, won't you?

Mr WILKINSON - He will want to sit in the back of an ambulance.

UNCORRECTED PROOF ISSUE

Mr OGLE - Then we have a whole range of negotiations occurring next year which I would rather not think about but that will be police, fire service, nurses - so it is a rolling cycle of negotiations that occur.

Ms FORREST - You are not looking at early retirement yourself then to avoid those ones?

Mr WILKINSON - Or a WRIP.

Ms FORREST - Or a rip out of here, yes.

Mr OGLE - I will not be taking a WRIP.

Ms GIDDINGS - I will just underline the importance of the point that I made earlier in our discussion of us showing leadership because these negotiations will be next year as well and if we were to get a pay rise on 1 July next year because the independent Tasmanian Industrial Commission recommended one, it would make it very difficult when you are in negotiations with all of these occupational groups across the public service.

Mr MULDER - It is 1 July this year didn't you mean?

Ms GIDDINGS - No, no if we took your pay freeze and sent it to the Tasmanian Industrial Commission, as you would like, then we got a more than 2 per cent pay rise which is almost inevitable, particularly after a pay freeze, you have to justify that in light of other negotiations that you have with other occupational groups where you are asking them to stick to the state wages policy, including police.

Mr OGLE - In fact we have been able to keep to the two years by the 2 per cent with all those agreements.

Ms GIDDINGS - That is right and this is why this is about leadership.

CHAIR - For the purposes of accuracy, I seek your view of this question at the end of today's proceedings but since you have raised that matter, this was the matter that I was going to go to in terms of accuracy.

At an earlier time, Premier, in the exchange with members on this side of the table you indicated, if I recall correctly, that any notion that by linking to a public service band would be in any way MPs still having their hands on the levers was not right, because you said words to the effect that if we were arguing or promoting a pay rise for ourselves, that would flow on to the 10 000-plus public servants.

Ms GIDDINGS - That's right.

CHAIR - Isn't it true that it is the reverse? It is the public servants who in fact get the pay rise because of their negotiated outcomes, whether they be through the Industrial Commission or awards or whatever, and that flows naturally because of the nexus which you are proposing on to MPs?

Ms GIDDINGS - That's right.

CHAIR - It is not the other way around, as you put it.

Ms GIDDINGS - No, that is exactly right, but what the argument has been is that you have to go to the TIC, otherwise it is not arm's length from the politicians, that you have politicians in that sense negotiating with the unions - through public sector management office and all the rest, for an outcome, and that somehow -

CHAIR - No, politicians don't argue that. The government of the day does.

Ms GIDDINGS - That is an argument that has been put forward that you have to have the total separation from the nexus with the State Service because otherwise we are in fact negotiating for our own pay increases. That has been an argument put forward against the position that I put forward, and I have said no, no, no, I do not believe that is a valid argument to be concerned about.

In linking us with band 9 of the State Service Act we are in fact just linking ourselves to a negotiated outcome between the union movement, essentially through the PSMO, with Premier as employer involved last to help finalise these agreements in that sense that we would not be going into a negotiation thinking to ourselves that, 'Oh, we want a 10 per cent pay rise, we will give everyone a 10 per cent pay rise'. So in that fear that some people have had that it brings us too close to our own pay increases, I do not believe that is founded, that we have a negotiation process with unions that affects thousands of public servants, so whatever is agreed between them in that proper process, the way it is done and always will be done, that then translates to us. That is the only benefit that is there.

It does not mean that we are equivalent to band 9s in terms of what their role is or anything like that, it is very separate.

CHAIR - I understand that.

Ms GIDDINGS - The other point that is important is that the members of the public service actually vote on those agreements as well. The unions don't. The unions put a position to members, but members actually vote.

CHAIR - Back to output group 4. Tony.

Mr MULDER - Just on that question, after last year's budget I think we had some legislation pushed through for reducing the separation time from 12 to 6 months for public servants. I would just like to know how many public servants were removed under those provisions?

Mr OGLE - At the moment we have three people who have been approved for redeployment under section 47, so in effect the clock is ticking for those people. I don't sometimes like saying this, but we are hopeful that one of them we will redeploy, so the officers in my branch are working hard for the three of those people to be redeployed, but at this stage we are very hopeful one of those will be. All the other efforts of the branch have been in matching vacancies against people who are in the throes of - before they are actually declared surplus, so we have had some success with approximately 75 matches we have found without having a formal declaration.

Mr MULDER - So the answer to my question is none, but two on the way?

Mr OGLE - Three officials in the process of section 47.

CHAIR - We will go to the final output under Premier and Cabinet.

**Output group 5
Tasmania Together Progress Board**

5.1 Support for Tasmania Together Progress Board -

Ms FORREST - The Tasmania Together Progress Board has recently finished its review, so what is the current major focus of the board since the review has been completed, and its future plans and possible uses for the data that it has collected?

[50.00 p.m.]

Ms GIDDINGS - The data they collect, of course, is used. I think the Social Inclusion Unit have used some of that data that has been collected in the work that they have been doing. One of the values of Tasmania Together has been that data collection element that we do not want to lose.

They have had their review, as you quite rightly put out, and the ongoing relevance of Tasmania Together was underlined by public participation in the 10-year review where over 5 000 individuals and organisations engaged by providing their opinions, more than twice the input from the five-year review, which is interesting. Certainly it continues to provide a community-based framework that helps to guide our decision-making and those Tasmania Together benchmarks are still built into agency planning and reporting as well. Over the last 10 years the progress board has developed a comprehensive and reliable reporting system that measures progress across a wide range of social, environmental and economic indicators.

That resource is still very important to us. I don't have anything in front of me on what the board themselves have set as their forward agenda, but certainly monitoring that data.

Mr EDWARDS - We have Hayden Jones here, the senior officer in charge of the Tasmania Together team that works to the board. Hayden, would you like to talk a little bit about the board's activities?

Mr JONES - Yes. The review has finished and the board now gets back into the regular operational processes that it does in between the five-year review. So having reset, based on the community input we are now monitoring what is going on in relation to preparing the 2012 progress report which will be tabled in parliament in August. That is now a biennial reporting framework and it will be the first one since 2010 and that will include all the new benchmarks and changes that parliament approved at the end of last year.

Aside from that, the board has a major project around engagement, which includes social media strategies, its partnership to program; its alignment with local government and generally just awareness raising of the benchmarks and promoting engagement around activities to achieve targets.

Ms FORREST - I accept there was a much greater participation in the last review and I think it was partly to do with the way the Tas Together board engaged the community and someone from my area won the iPad, which is really nice.

UNCORRECTED PROOF ISSUE

Mrs ARMITAGE - You did well.

Ms FORREST - I did not win it, someone from my area did. It was a nice little sweetener and I encouraged my staff member to contribute just in case he could win it but he didn't, so there was a bit of a conflict there.

It is interesting, though, in spite of this greater participation, the community awareness is still below 60 per cent. Do you see that as an issue and what is the board doing to try to address that?

Mr JONES - The advice we have is that anything over 50 per cent is pretty good brand awareness unless you are running a road safety campaign or something like that where you have television advertising on a fairly constant ongoing basis. The board is quite pleased that awareness has stabilised above 50 per cent for the last three or four years. Yes, 60 per cent would be nice but the high point that we got with 58 per cent followed the campaigning around awareness for the review. We are hoping that the social media strategies that we are getting into seriously for the first time will create greater levels of awareness of what Tasmania Together is and what is in it and, hopefully, it is still possible for us to get up over 60 per cent.

Ms FORREST - You were aiming for that?

Mr JONES - Yes.

Ms FORREST - With just under \$1 million allocation, does that include board fees? How much of that \$922 000 allocation is for board fees and board expense?

Mr JONES - It is about \$156 000.

Ms GIDDINGS - Yes, not much.

Mr HALL - Premier, given that Ruth has gone down the track and we have had the answer of 50 per cent awareness of Tasmania Together, to me, I have to say, it is still not a resonator in the community even after a decade or more since Jim Bacon instituted it. In tight economic times it is \$1 million recurrent. No doubt we have had some valuable information provided, but by the same token isn't it time to look at the future of Tas Together, and isn't it possible then for some of that data, which is collected by Tas Together, to be collected by departments or agencies and consolidated?

Ms GIDDINGS - First, I would say any data collection costs money; consolidating it costs money. So you may move that cost from DPAC and place it into another agency, but you have just cost shifted, essentially. There is benefit in the data and there is a benefit in that data being collected and consolidated in the one area, and that is something that Tas Together does do for us. We have made savings in the Tas Together area and you will see that from the fact that the 2011-12 budget was over \$1 million, \$1.134 million, and the 2012-13 budget is \$922 000. There have been savings in that area and I believe there has been FTEs lost from that area.

We are conscious of the need to find savings across the board. Simplistic things where you just get rid of the boards - and it is one that is thrown up all the time by the Liberal Party, \$156 000 -

Mr HALL - I wasn't following their line, I did not even know that.

Ms GIDDINGS - Well, you must have missed it somehow then because that is the one they throw up all the time: 'You will be able to save ...' - how many million was it? Over \$10 million on abolishing boards and whenever you say, 'Which one will you abolish?', they always say Tas Together and there is \$156 000, you have another \$9 million plus to still find yet. The Tas Together board is an easy target.

Mr HALL - As I say, if you go out there it just does not resonate. 'Tas what?' they ask.

Ms GIDDINGS - I take that on board. Every part of government is always constantly under review when you have declining revenues as we have. However, the survey work was done, there were 5 000 people who participated in that and, as Hayden has just said, 60 per cent recognition of it is pretty high brand recognition when considering you are not Apple or Coca Cola or some of those bigger brands. It is still not bad recognition in government services and government programs.

Mr HALL - Still, it is \$1 million recurrent; that is why I make the point.

Ms GIDDINGS - Yes, but you would not necessarily get that. My point is that if you still see value in the data being collected and collated, somewhere in government that has to happen and there is a cost. It is not a matter of we would make \$1 million-worth of savings because that cost will be carried somewhere within government. Also, most of that cost is in FTEs within the DPAC and you would have to find a way of redeploying them or going through the process as well.

Ms FORREST - The data set is very valuable in itself.

Ms GIDDINGS - The data set is valuable and it is used.

Mr VALENTINE - I agree that those data sets are valuable. Is the penetration into the areas that are making decisions based on the data still the same as it used to be? It used to be quite significant. I keep harking back to my previous little stint down the road, but in local government we did take some of that on board and use it to develop frameworks and other things as well as our own data. Is it still taken seriously by each government department? Is it mandated that they will deliver on some of these areas that are looked at, like it used to be when it first started or has it lost its flavour?

Mr EDWARDS - Like all things it changes and the emphasis changes. There are a number of local governments that continue to work and have good arrangements with Tasmania Together in terms of embodying data around their committees of interest and their planning. What you have probably seen in the 10 years since the inception is a huge growth in other data sets of interest that the state follows by virtue of national partnership agreements.

So the commonwealth in the rejigging of the intergovernmental financial relations and the creation of a national partnerships framework has instituted a whole lot of new arrangements. A good example is health reform where we now have national benchmarks that are embodied that we have to monitor and track. There is a huge growth in the sort of administrative data sets that governments are using, and huge growth in the reporting arrangements and obligations around this. If anything, I have seen the places become more crowded.

Tasmania Together is one set of data along with a whole range of other data sets. I have been doing some work and had some conversations with the ABS here in Tasmania and also in discussions with the Chief Statistician, Brian Pink, in Canberra, who is working on a project around nationally significant data sets. We are working our way through some strategy internal to government around significant data sets for the state, and the general improvement in the way we manage information. If anything, this trend is continuing, and that is why you keep hearing these comments that the data is very valuable, but the way in which it is used is continuing to evolve.

Capital investment program -

CHAIR - I am just wondering, Rosemary, you indicated you might have had some questions in this. It is Service Tasmania Shops Capital Investment. Is there anything more that we have not covered?

Mrs ARMITAGE - Not really. There is not a great deal to do with capital investment in Service Tasmania. I'm fine.

Ms GIDDINGS - I just wanted to check that you did not have any security and emergency management questions.

CHAIR - We made a decision a while ago and told Matt to nick off. He was quite happy.

Ms GIDDINGS - Oh, okay. You did tell him to leave. No worries.

Grants and subsidies -

CHAIR - The Tasmanian Community Fund is the only one listed under there that I can see. Ruth, is there anything you want to raise regarding that?

Ms FORREST - Yes, I just wanted to raise the issue, which has been alluded to previously, that there seems to be some pretty strict rules around closure times for submissions, for applications for grants. I can understand the necessity to have strict cut-off points, but where situations arise that are completely outside the control of those wanting to put in submissions, who make every endeavour to get the submission in on time, and then I speak to the chairman of the board who informs me that people go to great lengths, like they will run down the street to drop them in at the office, and I say 'It is a hell of a long way to run from Wynyard to the office and you wouldn't get there in time'.

Mr EDWARDS - We don't have anything in particular to do with the operational rules, but I haven't had that raised with me before.

Ms FORREST - I wanted to perhaps make the point that maybe it is something which could be discussed with the board. The post office closes earlier in Wynyard than in most other places, and the comment was made that they could have gone to another post office. Now at that hour of the day, going to another post office and getting there in time is unrealistic. The whole problem arose because of an IT problem, which they had to deal with without support of an IT service. They made every attempt, but because they could not get it there in time and it was not postmarked before 5 o'clock or 6 o'clock or whatever it was on that day, they missed out on the round, of even being considered. I accept the need for a cut-off, but it is something that should be

UNCORRECTED PROOF ISSUE

discussed perhaps, where there are extenuating circumstances. Perhaps that consideration should be given to those.

Ms GIDDINGS - We can share some of your frustrations with the TCF.

Mr EDWARDS - I am happy to hear about this. Without any reflection on this particular example, the problem is if you allow exceptions then people get very inventive about the nature of the exception. We find the same thing with tenders and with everything else we do. There is usually a reason why it is such a strict thing. It doesn't matter what happened, that's life; apply next time. I haven't heard this, but this has been raised as a problem, and we will find a way to raise it with them.

Ms FORREST - I am not sure how common the problem is. If they had just been slack - I know they obviously had left it to the last day but there were reasons for that as well, but when they have made every attempt and the e-mail address that was on the front of the form was not the correct e-mail address to send the submission to, so there were a few little things that made it difficult for the people putting the application in as well. It was argued they should have read the whole document and got to the end where it said the e-mail address it had to be lodged to was not the one on the front of the form, it was the one in the back of the form. Things like that.

Mr EDWARDS - I think we had one about e-mails yesterday with Treasury, didn't we?

[5.15 p.m.]

Ms GIDDINGS - We did, where the same hard line was taken with tenders in Treasury.

Mr EDWARDS - It was spam or something.

Ms GIDDINGS - Yes, it was treated as spam and therefore was not received, even though it had been sent prior to the closure of the date. In fact, it had not been received in the in-box within the time frame so it was excluded. These things do happen and we try to find ways of ensuring they do not happen again. There has to be a cut-off. I understand the frustration and you would hope that there might be some understanding by administration around some issues, but I do understand too that it is hard to have the exceptions to the rule.

Ms FORREST - I just wanted to raise it.

CHAIR - Any further questions? We are about to move to another output. If we take a very quick five-minute break, there are a couple of administrative matters we need to attend to.

Ms GIDDINGS - And then we are going to Arts?

CHAIR - Yes, we are, Premier.

Ms GIDDINGS - We have finished DPAC?

CHAIR - Yes, we have, thank you.

Ms GIDDINGS - Thank you very much DPAC.

The committee suspended from 5.16 p.m. to 5.26 p.m.

DIVISION 1

(Department of Economic Development, Tourism and the Arts)

Output group 4

Arts

4.1 Tasmanian Museum and Art Gallery -

CHAIR - Premier, we are ready to go. If you are ready we shall reconvene.

Ms GIDDINGS - I will introduce the people at the table with me. I have Bill Bleathman, the Director of the Tasmanian Museum and Art Gallery, the Director of Arts Tasmania, Katherine Hough and the Director of Screen Tasmania, Karena Slaninka.

CHAIR - Is there anything in terms of overview that you wanted to lead to the committee?

Ms GIDDINGS - No, I am happy to go straight to questions.

Mr VALENTINE - Obviously the burning question is TMAG and phase 1 - how is that progressing?

Ms GIDDINGS - It is progressing very well and I would be happy for Bill to give you an update in relation to that. It is on time, on budget and at an exciting point in time in the lifting of the roof of the old zoological area of the museum, but I will ask Bill to give you an update.

Mr BLEATHMAN - Thank you, Premier. Stage 1 of the museum redevelopment is a \$30 million project and it is due for completion in early 2013. Some of the key outcomes of the project are that it will increase publicly accessible space by some 2 000 square metres, and, for the first time in the museum's history, all of the space in the museum will be equitably accessed. People with mobility issues will be able to get to each area of the museum, which has not been possible in the past.

It will also open up all the heritage buildings on the site. The site itself is nationally significant. It has the most significant and diverse collection of heritage buildings on the one site in the nation. Places like Port Arthur have more but theirs only covers a 40-year period. Our buildings date from 1808, 1813, 1824, 1863, 1885, 1901 and 1996. It will be a unique visitor experience in itself.

We are also moving the entrance around to the Watergate entrance, so it will overlook the Dunn Place car park as opposed to opening onto Macquarie Street. It will enable us to display another 30 per cent of collection material that has not seen the light of day for a number of years. As the Premier has mentioned, the central element for us is the raising of the roof in the zoology gallery. I have a couple of images here, Premier. This is an image of the zoology gallery built in 1901 and you will note the structural ceiling in the gallery. From about 1920, it was covered by a false ceiling, with false walls all around it. We have stripped everything out of that ceiling and this is what it looks like at the moment. For the first time in 80-odd years we have a structure - what it looked like originally.

UNCORRECTED PROOF ISSUE

Our plan is to raise that roof up one level, and put a walkway right around it. This gives you an idea of what it will look like when it is finished in December of this year. It will be major engineering feat and we are due to do that in the middle of June this year, subject to weather. Voss Constructions have the contract. They have 65 staff on site each day at the moment with a number of subcontractors and we have let almost \$1 million in local contracts for fit-outs of exhibitions and internal hardware and software.

Mr VALENTINE - Thank you for that, it is really fascinating. You didn't find any dead bodies?

Laughter.

Mr BLEATHMAN - None that I wish to talk about.

[5.30 p.m.]

Mr VALENTINE - Were they in the floor. Sorry, I should not jest really should I, it might be true.

With respect to the out years, there are some interesting figures. This year we have \$906 000 over and above last year, we have \$525 000 the year further out, and whatever. Why the fluctuations in those particular figures in the budget? It is not the development stuff is it? Or is it?

Mr BLEATHMAN - It is partially that. It is partially a realignment of overheads -

Mr VALENTINE - I am not sure how your accounting is developed.

Ms GIDDINGS - We have Craig Watson at the table.

Mr WATSON - The main movement in the TMAG output between the current year's budget and next year is due to a reallocation of corporate overheads. It is not a case of a major increase in the direct TMAG budget but because of the significant reductions in some other portfolio areas within the department, particularly Tourism Tasmania and Economic Development, we did a review of corporate overhead distribution. Because TMAG has stayed pretty much the same size, as the others have shrunk, it ends up with more corporate overhead distributed to it. That is the main reason for the movements in the outputs.

In addition, in 2015-16 there is a 27th pay for that year. Every so often we end up with an extra pay in a financial year because of the way they fall, so additional funding has to be provided to all outputs in that year to cover that additional pay.

Mr VALENTINE - I had a question on that one earlier today so I am well aware of that. That is fair enough.

Mr WILKINSON - In relation to TMAG, you were saying that you now have 30 per cent more space for materials that could not be exhibited. Will this extra space give you the ability to show all the items you have, or are there still going to be some in storage?

UNCORRECTED PROOF ISSUE

Ms GIDDINGS - There are a lot in storage. The collection is quite huge. There will be more exhibition space but you will never have all of it on display, and neither would you want to have it all on display. Bill would know more than me. Having works on display can cause deterioration of the items, and you want to protect them.

Mr WILKINSON - How much more of the collection would you like to display?

Mr BLEATHMAN - We have a million objects, over 26 disciplines, in seven locations and a number of our objects are on loan to other institutions like the Queen Victoria Museum, and other museums around Australia. We would have no more than 5 per cent of our collection on public display and if we can get to 10 per cent that would be really good. However, I think much of it will be using new technology to enable people to have a look remotely at some of the things we have. There are some real treasures that could not previously see the light of day, that will see the light of day and we are there for the long haul. We have been on the same site since 1863, so if they do not get a guernsey in the first few months then maybe in the next few thereafter.

Ms FORREST - In the first hundred years?

Mr BLEATHMAN - Yes.

Mr WILKINSON - Is it the oldest museum situated in Australia?

Mr BLEATHMAN - It is certainly the oldest combined museum and art gallery in Australia. We go back to 1843 and the room we were in yesterday for the House of Assembly estimates was the first museum room. It was part of the Royal Society Museum back in those days. It has a lot more history than others and where many of the other state museums separated the art gallery around the 1890s 1900s and 1910, we kept it together. It is a good thing for us because you get a diversity of exhibition, and diversity of objects on display, within the one institution.

Mr WILKINSON - One of the major visitor attractions in capital cities is the museum. Do you have any statistics on how many tourists, let alone locals, go to the museum?

Ms GIDDINGS - We do.

Mr BLEATHMAN - About 60 to 65 per cent of our visitors are locals and around 35 per cent are interstate and overseas. That equates to about 140 000-odd visitors from interstate or overseas who are coming to the museum now. We have done some preliminary figures on stage 1 of the redevelopment and when that is completed we think our numbers will go up over 450 000 to 500 000, which in terms of a lot of things is really good, but for economic activity for the Hobart community it is a good driver as well.

Mr WILKINSON - Sure. There was some talk five or six years ago about opening up an area on site where supposedly the first meeting between Aboriginals - indigenous people - and Europeans took place. Am I right in saying that or is that just something I heard or misheard?

Mr BLEATHMAN - I am not sure if our site was the first place the Indigenous people met with Europeans, certainly down at Recherche Bay pre-settlement was where D'Entrecasteaux first was. There are some significant Tasmanian Aboriginal middens on our site that we have worked with Aboriginal Heritage and our Tasmanian Aboriginal Advisory Council to ensure they are safeguarded in any redevelopment plans and they will be.

Mr WILKINSON - Will they be for public viewing?

Mr BLEATHMAN - No, they won't be unless the Aboriginal community want them to be for public viewing, but it is really their call.

Mr WILKINSON - The middens, are there any pots or pans, or are they flints and rocks?

Mr BLEATHMAN - No. They are in situ, they are undisturbed and they are really shells and stone tools.

Mr VALENTINE - For extra information, the first landing was close to that site in Sullivans Cove and that is a parking meter alongside the City Hall. They get revenue from it.

Laughter.

Ms FORREST - Some more regression there again.

Mr WILKINSON - You didn't charge them retrospectively then?

Mr VALENTINE - No, they get revenue out of it.

Mr WILKINSON - Can I ask, if there is one major thing you want done with the TMAG that you believe is going to give it extra emphasis, what would that be?

Ms GIDDINGS - The \$30 million we are spending on it right now. That is the first stage and that is really about lifting it up. In fact, not that this is Bill's area, but the QVMAG in Launceston has done a phenomenal job in spending about \$6 million or \$8 million, it wasn't very much, in modernising and updating that centre. They have made it world class in my view and what we are doing here at the museum and art gallery will transform it as well. There is much more that could be done with further stages. The plan is well over \$100 million worth of plan in the long term. In the first instance this will, in creating a new visitor entrance, in creating the new experiences like the zoological gallery, in opening up the buildings - because the museum and art gallery is as much about its built infrastructure as it is the collections within it in terms of the value of that site. This is really about providing that first-class experience here and what has come about through MONA means that we all have to pick up our game in respect of the sort of person who is coming to Hobart for those cultural experiences and they expect a certain standard. We will be able to deliver that with the first \$30 million.

Mr VALENTINE - That includes the Bond Store, doesn't it, this \$30 million?

Ms GIDDINGS - Yes, it does.

Mr VALENTINE - That is very exciting.

Ms GIDDINGS - Every floor of the Bond Store now will be open to the public, which has not been the case in the past. A lot of it is also about opening up contemporary exhibition space as well for travelling exhibitions as much as our own collection.

CHAIR -The Premier just mentioned MONA; is there any collaboration with them in terms of sharing?

Mr BLEATHMAN - Mr Walsh is a major donor to the museum and art gallery. Some six years ago he provided the funding for us to buy a Huon pine furniture collection, 58 items of a Tasmanian Huon pine dating back to the 1830s and we were able to secure that, which is a fantastic collection for all the people of Tasmania. He has also, at the moment, loaned us 58 Roman gold coins, including one coin that was one of the most expensive ever purchased at auction, and he did so. We are working with MONA at a number of levels, but by far the biggest and the most exciting thing at the moment is that we have a major exhibition we are in collaboration with him called Theatre of the World. It opens on 22 June next month and it features 300 of our objects and 160 of his objects and about 10 other objects from institutions around Australia and around the world.

Mr Walsh has employed internationally renowned curator Jean-Hubert Martin, who has done the Moscow Biennale as the chief curator, and the Venice Biennale, to look at our collections and he has been scurrying through all of our stores for three years now looking at objects that he wants to showcase. He does not put them taxonomically or in disciplines; he looks at them in terms of their shape and form, and what they are trying to say. It will be a totally different look at our exhibitions and our collections. It opens, as I say, on 22 June this year and I think it is going to be a phenomenal tourist attraction for all the people of Tasmania but visitors will come from the mainland and overseas to see it.

Ms FORREST - That is at MONA?

Mr BLEATHMAN - Yes, it is at MONA. Originally it was going to be at MONA and TMAG but our building project is such, as Murphy's law would predict, it is all at MONA but that is good in itself. David is building rooms specific for the show to the equivalent of four house lots of timber out at MONA just to show our objects and so it is going to be outstanding - a spectacle.

CHAIR - It is running for how long, Bill?

Mr BLEATHMAN - It will be going until March next year. We will get all the summer period as well and then, hopefully, with our museum opening at the end of that one will flow into the other so it will be good.

Mr WILKINSON - Bill, I know Mark Colegrave has a scholarship, hasn't he, to go to the UK.

Mr BLEATHMAN - Yes, a Churchill Fellowship.

Mr WILKINSON - Which is good and a good fellow, too, and I glad he has it. What I am asking is: is that what is happening with the museum as well, that is, people like Mark are applying for scholarships and because of their expertise and competence they are getting them or is he the first one?

Mr BLEATHMAN - No, we have had seven Churchill Fellows in about the last 15 or 16 years and what it shows more than anything else is that spirit of community that the museum is. The skills that Mark has developed in lighting have been first-rate but what we are doing now

is we have contemporary spaces within heritage buildings and we have exposed a lot of the heritage buildings so it was an opportune time for him to increase his skills and go and look at some of the great museums of the world where heritage and contemporary join together and see if we can use his skills that he picks up in lighting.

We have taxidermists, thylacine curators, and all those sorts of people have been on Churchills but we apply for everything that we can, every funding and grant opportunity, particularly in terms of specialist staff because there are not that many opportunities locally or in Australia when you are talking about lighting museums or thylacine specimens. They are not making any more of them, presumably.

Mr WILKINSON - We might get one of his old cricket balls as well.

Laughter.

4.2 Art industry development -

Mr VALENTINE - I am interested and obviously it is a pretty important area but it is always an area that is going to be challenged in terms of how much money it has to give out through its various grants and whatever. Could you give us some sort of an overview as to what the strategy is moving forward on this? It cannot be easy having to choose where you put your money. Can you give us some understanding of that?

Ms GIDDINGS - It is done through a peer assessment process. We have our arts advisory boards and the Tasmanian Arts Advisory Board does the final decision-making around that. Essentially, whatever bucket of funds they are provided for those grants they then distribute according to the highest quality projects that come across their desk that abide by their eligibility criteria and the weightings that they give them in their assessment. Wherever that line is drawn for the cut-off depends on how much money they have as to how many projects they can fund.

It is unfortunate in that respect that we cannot save the arts grants from some form of savings that are required.

Mr VALENTINE - Obviously, I can understand that.

Ms GIDDINGS - Yes. There will certainly be some projects that otherwise would have been funded that cannot be funded but the ones in the higher ratings are waiting and that assessment will continue to be funded.

Mr VALENTINE - The dip in 2014-15 is about \$65 000 and then it goes up to plus-\$96 000 in 2015-16, is that part of this corporate movement of funds or not?

Mr WATSON - The decrease is the forward impacts of the required budget savings both from the 2011-12 budget and this budget. It goes up in 2015-16 for the same reason I talked about TMAG, which is 27 pays -

Mr VALENTINE - Yes, I was just wondering whether it was exactly the same argument.

Mr WATSON - Yes, and some indexation.

UNCORRECTED PROOF ISSUE

Ms HOUGH - Mr Valentine, it might interest you to know that we have been a doing a lot of work in partnership with Arts Queensland and Positive Solutions on looking at new funding models into the future. We are not alone in this situation. This is a national and a state and an international situation in fact.

Mr VALENTINE - Whatever we can learn from others.

Ms HOUGH - We have been doing quite a bit of research into what new funding models might be available and we have started talking with the board and panels about that, and we will be talking to the sector a bit about that in the second part of the year.

Something that we already do that no-one else does to provide significant support to the sector is we do loans. We are the only state funding agency that provides low interest loans for artists. We certainly see that as an opportunity to look at different ways of micro-loans and different kinds of financing. We offer a guarantee against loss on some productions. We might turn that around against a guarantee against profit, so we actually cash flow you upfront and if you make a profit we get a certain percentage back. We might look at different ways of partnering with the Premier's Arts Partnership Fund to extend that into other kinds of projects, into a curated form of crowd sourcing and that sort of thing.

There are many ideas on the table that we have been looking at. The review of the Australia Council that was released 10 days ago also looks at a commercial funding model, which is a great opportunity for us as a small jurisdiction to pilot with the Australia Council and test some of those ideas with their support.

Mr VALENTINE - The arts purchase scheme, I cannot think what it is called now.

Ms HOUGH - The Collect Art Purchase Scheme.

Mr VALENTINE - Is that continuing or not?

Ms GIDDINGS - It certainly is and it has been one of the most successful schemes that we have. I am glad you asked that question, I have a lovely media release to put out on that scheme.

Mr VALENTINE - I am glad you have. If it is positive that is fantastic.

Ms FORREST - A dorothy dixer.

Ms GIDDINGS - It is a dorothy dixer.

Mr VALENTINE - It wasn't a dorothy dixer.

Ms FORREST - Yes, it was.

Mr VALENTINE - No way.

Ms GIDDINGS - I can promise you we haven't caucused.

Ms FORREST - Really.

Mr VALENTINE - Not yet.

Ms GIDDINGS - The Collect Art Purchase Scheme is a 12-month interest-free loan available to approved Australians to enable them to buy Tasmanian art. When you talk to some of the galleries involved in the scheme they have said that during this downturn of retail spending that for many of them it has been a blessing for them that people are continuing to buy artworks on the basis of accessing this scheme. It is not just for Tasmanians, it is for any Australian who can purchase Tasmanian artwork. The figures to 31 March 2012 show that 858 loans have been approved to the value of \$2 510 862 and those loans have funded the purchase of over 1 000 artworks by 267 Tasmanian artists.

Mr VALENTINE - It is over a certain value isn't it?

Ms GIDDINGS - Yes, it is over a certain value.

Ms HOUGH - It is from \$700 to \$10 000.

Ms GIDDINGS - Those artworks have ranged from furniture, paintings, prints, ceramics, jewellery, photographs, glass and sculpture as well, and 27 per cent of them were interstate buyers. So they have been exported to every state and territory. Fifty-seven customers have taken out a second loan once they have paid off their original one to enable them to buy more art, and 10 customers are on their third loan with one customer on their fourth loan.

Mr VALENTINE - Is this across the state? Is this being taken up across the state?

Ms HOUGH - There are 15 participating galleries across Tasmania.

Ms GIDDINGS - It has been highly important. The average loan at the moment is running at about \$2 926 and it is a fairly minimal cost to run the program, but with a great outcome.

Mr VALENTINE - One other question if I may, Mr Chair, Ten Days on the Island.

Ms FORREST - Or five days, depending on which part you are in.

Mr VALENTINE - I am very interested to hear that because I personally think that provides significant benefit, a real fillip to the community when you consider what they are going through out there.

Ms GIDDINGS - I am glad you make that point because I don't think you can underestimate the impact on a number of levels. The economic impact is one, but the social impact is also critical in regards to a festival of the nature of Ten Days on the Island. We have not cut our funding but we have not increased it either. It is \$2.5 million that we invest over a two-year period in the festival.

Mr VALENTINE - Do you expect it will get the same penetration across the state?

Ms GIDDINGS - We will wait to hear from the new curator or festival director in regards to how she is going to take the festival forward. The last festival had a record number of townships across the state that were touched. Whether or not we have a record number is up to the festival director, but I think there is probably more of a focus around ensuring that regional Tasmania is

UNCORRECTED PROOF ISSUE

still accessed but maybe not to the same extent as last time around. But that is not a cost factor, is more about how you present it.

Mr VALENTINE - No, it is organisational. But the important thing about this is that it actually goes out to all of those communities.

Ms GIDDINGS - Absolutely.

Mr VALENTINE - If you are on the west coast - and I am sure the honourable member for Murchison, here, would back that up. The amount of interest that there is in those sorts of shows is really quite high, I would say.

Ms GIDDINGS - I always use Campbell Town as a prime example of a show that absolutely turned around after Circus Oz was presented there. It is from that point that people started to invest in coffee shops and good quality coffee and the like. Now Campbell Town is a must-stop place but previously it wasn't.

Mr VALENTINE - Except when they put in the good toilets.

Ms GIDDINGS - Well, the toilets and good coffee - you are quite right - both of those are the reasons that people stop.

Ms FORREST - And having a long way to travel.

Ms GIDDINGS - That is true, then you will have a problem.

KPMG was commissioned to do a report on the economic benefits of the 2011 festival and it found that the gross output turnover effect was \$47.9 million. The addition to the GSP or value-add was some \$24.37 million to the state economy, additional factor income of \$12.66 million and it supported the equivalent of 46 full-time jobs throughout the economy. So it is huge.

Ten Days on the Island itself generated \$1.5 million in its own revenue as well. This idea that somehow you could halve this government's sponsorship and that the private sector would pick up over \$1.25 million or something is not realistic. The private sector, at best, has donated around \$400 000 from memory, which is significant in terms of private investment in Ten Days, but to expect them to find another \$1.25 million is just fanciful.

Mr VALENTINE - With regard to these figures then, plus \$6 000 plus \$4 000 minus \$65 000 plus \$96 000, how much effect has that been on FTEs and the like in your area?

Ms GIDDINGS - Ten Days?

Mr VALENTINE - No, I am talking about Arts Tasmania in general.

Ms GIDDINGS - Arts Tasmania has had vacancy control in place, alongside all parts of government. I don't think you have had any WRIPs or anything, have you?

Ms HOUGH - Over the past few years we have had the vacancy control apply and this year we will not be backfilling a position from someone who has gone on maternity leave.

Mr VALENTINE - Okay, which puts a bit more pressure on, I suppose.

Ms GIDDINGS - It does.

Mr VALENTINE - Thank you.

4.3 Screen industry development -

Mr VALENTINE - I guess with regard to the screen industry development it is pretty obvious that Tasmania has a huge potential as a location that could support the film industry. What are we doing to maximise that? I know the budget of 2012-13 is down \$62 000 and it rises gradually up to 2015-16 - it may be the corporate stuff again.

Ms GIDDINGS - Yes, it is basically the same story.

Mr VALENTINE - Yes, but what are we seeing in the activity side from that particular area?

Ms SLANINKA - I will attempt to be succinct. Rob, I am very passionate about the screen industry in Tasmania and we have had some great success with *The Hunter* and in attracting production to Tasmania. A lot of our strategic plan last year was to put our focus fairly and squarely on supporting and developing the local industry, and supporting the development of Tasmanian practitioners because we can have productions like *The Hunter* coming into Tasmania and they will come, they will shoot for three months or six weeks, and that is great. They will employ some people and they will spend a bit of money here. But for the long-term development of the industry we are far better off putting our money on the development of our local talent and developing the local industry where they can set up their businesses, generate their productions from Tasmania and have ongoing production activity in Tasmania.

For that reason we have put a lot of effort and focus on two key areas, which is the development of ongoing television series. We are the first state funding agency in the country to develop a fund for factual entertainment and format and light entertainment content. So things like *Gourmet Farmer*, for example, or anything like a talk show, or a variety show, or a studio-based show, or a *My Kitchen Rules* or anything like that which can generate ongoing production activity in Tasmania, create jobs and ongoing employment, skills and turnover is what we want to do. Television drama and television entertainment is where we are trying to put and focus our energy.

The other strategic focus for us is in digital content, online content, multi-platform content, content that is going to leverage opportunities created by the NBN.

Mr VALENTINE - Do you fund Blue Rocket, for instance, or do you somehow work in partnership with them?

Ms GIDDINGS - They apply for grants and they have been successful in receiving Screen Tasmania grants over the years.

Mr VALENTINE - One question I would like to ask is: we heard of the ABC possibly losing people in their cuts; how important is the ABC, Southern Cross and those other

organisations that have cameramen who actually participate in training or mentoring other people who are coming into that industry? If we lost those would there be an issue there?

Ms SLANINKA - It is not an ideal situation because the ABC is a valuable employer for not only full-time ABC staff but also the freelance sector. Many people who are independent filmmakers are employed by the ABC so it is not an ideal situation at all. It is unfortunate that the ABC has adopted a business model that sees a reduction in their in-house production activity.

Mr VALENTINE - I was wondering how much we rely on it.

Ms GIDDINGS - I have been very concerned about this and in fact we had a debate only a few weeks back in a matter of public importance debate where we all put our thoughts on the table as well. You cannot hold back the tide in one respect and the tide has been, for some years now, moving towards going out into the independent sector for content. To some degree that is a positive. It means those independent filmmakers out there have the opportunity to be creative, produce content and have it shown on the national broadcaster. You cannot deny that is not positive.

On the other hand, that independent filmmaking community has been aided by the apprenticeship, almost, of people through the ABC who have gained those editing skills, filming skills and all of those production skills, and the people who work at the ABC have also been able to go out and do work outside of their job in that independent sector that has helped lift the professionalism of that sector. We do not want lose all of that and we are at great risk of losing that model of training that the ABC has done and does not any longer see itself as having that role.

Mr VALENTINE - So what are we doing as a government to shore that up? Are we writing to the ABC and letting them know or not?

Ms GIDDINGS - Yes, we have. We have written to the ABC. I think the debate in our House has been conveyed to the ABC as well in the hope that they will look at the contributions of the various members because pretty much all three political parties spoke in favour of supporting the ABC's continuing role. I have also sought a meeting with the respective people in the ABC and that may also be happening, so there will be another opportunity to convey our thoughts around that. Of course, they do still have the *Auction Room* and I think they have agreed to extend the *Auction Room* for another series, but that is a 10-part series. The original commitment was certainly not in line with what we had with *The Collectors* program and past programs.

We have to be careful - we do not want all ABC, and we do not want all independent sector. We want a bit of both. If we can keep the ABC doing that, and keep a commitment to regional Australia - the last thing we want is to see the ABC become the beast of Sydney and Melbourne, with the rest of regional Australian given some breadcrumbs here and there to shut us up, but not given the support we should have in helping to develop these industries.

Mr VALENTINE - One last question about young people who want to get into the film industry, and want to do digital work - and they can. You can buy very cheap gear and get some pretty good results - things like the Tropicfest style of film. What are we doing to promote that, in schools perhaps? Are we doing anything in the education area?

UNCORRECTED PROOF ISSUE

Ms GIDDINGS - You need to talk to the education minister about that.

Mr VALENTINE - Sorry, I should have realised that.

Ms GIDDINGS - There are certainly some very strong programs in schools. Rosny College has a very strong program in this area, and other colleges also do this form of production. In some of the schools I have visited the production set-ups they are establishing are very impressive. But, we do not have a film and television course here at the tertiary level.

Mr VALENTINE - Private enterprise does, though - Sarah Cooper.

Ms SLANINKA - She is acting, not screen. We try to capture those people coming out of schools like Rosny College which also has some training through Wide Angle Tasmania, which we fund as well. We provide \$60 000 a year funding for Wide Angle and they do a lot in the emerging and entry level area and they provide training. We work very closely with them to provide career pathways and opportunities to really support people to move into a professional career. We are all about professionalising the industry here. We are not in the amateur or hobbyist area. We are trying to move people up and also get them connected to the mainland. We see Screen Tasmania as the central cog in the wheel that provides connection to the marketplace on the mainland.

Mr VALENTINE - Are you also talking about the north and the north-west?

Ms SLANINKA - Absolutely - statewide.

Mrs ARMITAGE - Last time we met you, you mentioned Blue Rocket and Roar. Are they still successfully operating in Hobart?

Ms SLANINKA - Yes.

Laughter.

Ms SLANINKA - They are doing very well. In fact, both companies are going from strength to strength. Blue Rocket has just signed a co-development partnership deal with Beyond Productions in Sydney, to develop a number of projects. I cannot really speak in detail about some of the projects they have on the go now, but I believe they are just about to produce a very big animation series.

We are very pleased. We have provided them with some enterprise funding, which is part of our new funding program, to help expand the business. So, they have expanded Blue Rocket and created an adult production arm called Electric Yak - I do not know that it sounds very adult, but anyway. They are exploring drama because Blue Rocket, for those of you who do not know, specialises in children's and animation content. They are expanding now into adult production.

Roar Film has been consistently going from strength to strength with its productions. We have just financed Roar Film. They have just completed production on a three-part series for ABC *Compass* called *Holy Switch* which is about teenagers. It is kind of a factual show where teenagers from different religious backgrounds do a swap and they go into each other's houses - a Muslim girl goes into a Jewish house, and someone else goes into a Christian -

UNCORRECTED PROOF ISSUE

Mrs ARMITAGE - It should be interesting.

Ms SLANINKA - Yes. That will be quite interesting. That will be on *Compass* on the ABC. Again, they have some fantastic projects. We have four or five projects in development. We support Roar with development funding and they are working very closely with the ABC and what we are going to see in the next year with Roar will be very impressive in terms of the kind of work they are doing. They are developing a *Who Do You Think You Are?*-style program which draws on the convict records because Tasmania has a unique set of convict records. It is like a go back in time and trace your convict heritage and convict history, and that is a factual format that they have developed with the ABC or for the ABC. That will be in a digital platform as well as on television.

Mrs ARMITAGE - Did you have any contribution towards the *Master Chef* coming to Tasmania, I think it was earlier this year?

Ms SLANINKA - No, Tourism.

Ms GIDDINGS - Tourism Tasmania.

Mrs ARMITAGE - Thank you.

CHAIR - I think we are done on that. Does anyone have any questions on grants and subsidies? We have talked about Ten Days. The other couple are the TSO, the Tasmanian Icon program and the Theatre Royal. Any questions?

Mr VALENTINE - I just realised, Mr Chairman, that I did actually creep one from over the page - Ten Days on the Island - so I do apologise.

CHAIR - I realised that too but. We are done then. Premier, thank you.

The committee adjourned at 6.07 p.m.