



# **PARLIAMENT OF TASMANIA**

## **TRANSCRIPT**

### **LEGISLATIVE COUNCIL**

### **ESTIMATES COMMITTEE A**

Hon. Nic Street MP

**Wednesday 25 September 2024**

### **MEMBERS**

Hon Ruth Forrest MLC (Chair)  
Hon Dean Harriss MLC  
Hon Sarah Lovell MLC (Deputy Chair)  
Hon Bec Thomas MLC  
Hon Kerry Vincent MLC



**IN ATTENDANCE**

**HON NIC STREET MP**

Minister for Finance, Minister for Local Government, Minister for Sport and Events

**Gary Swain**

Secretary, Department of Treasury and Finance

**Craig Limkin**

Secretary, Department of State Growth

**Jonathon Root**

Deputy Secretary, Revenue, Gaming and Licensing, Department of Treasury and Finance

**Dean Burgess**

Acting Deputy Secretary, Economic and Financial Policy, Department of Treasury and Finance

**Mike Mogridge**

Acting Executive Director, Office of Local Government

**Mathew Healey**

Acting Deputy Secretary, Strategy and Delivery, Department of Premier and Cabinet

**Anne Beach**

Chief Executive Officer, Macquarie Point Development Corporation

**James Avery**

Chief Executive Officer, Stadiums Tasmania



**The Committee met at 3.19 p.m.**

**Output Group 2 - Economic and Fiscal Policy Advice**

**2.2 Regulatory Policy**

**CHAIR** - Thank you, minister, for appearing before our Estimates Committee hearings. We're going to start with your portfolio of finance. Please introduce the members of your team at the table, and if you'd like to, make some opening statements in relation to this area.

**Mr STREET** - To my immediate left is Tim Lovibond, my Chief of Staff. To his left is Dean Burgess, acting Deputy Secretary of Economic and Financial Policy. To my right is Gary Swain, Secretary of Treasury and to his right is Jonathan Root, Deputy Secretary, Revenue, Gaming and Licencing.

I'm pleased to be here today as the Minister for Finance. When I took on this new portfolio responsibility, I was aware of the challenge that lay ahead in developing the 2024-25 budget. I'm conscious of the need to carefully balance the responsible management of the state's finances with the need to continue to invest in essential services and infrastructure and provide cost of living relief to Tasmanians.

As the Treasurer has made clear, now is not the time to pull back from supporting Tasmanians. National inflationary and global supply chain pressures have impacted the cost of living and the cost of doing business. As the Finance Minister, I'm very aware that revenue from state taxation is an important source of funding for the government. In 2024-25, state taxation revenue is forecast to be \$1.8 billion, increasing over the forward Estimates.

Offsetting this revenue is the cost of providing relief through a range of targeted tax concessions to provide support for Tasmanians when they need it the most. A number of these concessions are however time limited and this is reflected in the revenue profile across the budget and forward Estimates. That doesn't mean that the concessions will cease, but more that the policy decision is yet to be made, which we will do in full consideration of the economic climate at the time.

Ensuring more Tasmanians are able to own their home is critical and I'm proud to be doing my bit as the Minister for Finance. We provide a range of concessions and exemptions from stamp duty for first home buyers, as well as lands tax relief, and also payroll tax exemptions for employers who hire Tasmanian apprentices, helping more young people into work.

Providing relief from state taxes is one key way this government can assist Tasmanians. That goes from those buying their first home to businesses looking to employ young Tasmanians.

I'd like to quickly note that obviously the Treasurer has already been before the Estimates Committee for this year, so if there are any questions that are better answered through that portfolio the secretary will likely be able to provide some high-level commentary.

**CHAIR** - We are conscious of the separation. Hopefully we've asked those ones but if they do crossover, we appreciate that flexibility. So if we'll go first to output group 2.2, which

is regulatory policy. Just in terms of the budget line item for this, minister, I note there is a drop in the forward Estimates for this current year from the previous year.

The estimated outcome was pretty much in line with last year's budget, or preliminary outcome at least. Of course that they may alter a little bit for the actuals, but the footnotes suggests that the decrease in regulatory policy and increase in regulation administration liquor and gaming reflects the reallocation of resources between these outputs to align with the commencement of the new gaming licencing arrangements in 2023-24.

This sort of flows across a little bit, but can you give a bit more detail around what has moved for what purpose? So that we can actually see how much we're talking about here?

**Mr STREET** - I'll defer to Jonathan Root for this particular question.

**Mr ROOT** - Basically what occurred was that in the development and implementation of the future gaming markets reforms, and all of the legislation and all of the changes to regulation and rules and guidelines and so on, we had a team in the policy area doing that work.

When that body of work shifted from the development and the legislation phase and into the implementation phase, we added resources into the operating area of liquor and gaming, largely as a function of the increased compliance activity that occurs under the new framework. Essentially with the venue licencing arrangement, we're going from one operator who operates the entire network, as you recall, with network gaming to all of the licences being held by the venue.

So we're going from one to essentially 60-odd and 90 venues, so a bigger compliance task. We're also obviously collecting taxation from all of those individuals as well as doing the gaming compliance work. So we're looking at around, in total 3 FTE plus a little bit of OpEx.

**CHAIR** - How many, sorry?

**Mr ROOT** - Three, plus a bit of OpEx.

**CHAIR** - Have you got a dollar figure that sort of transfers from one to the other?

**Mr ROOT** - Specific to that, I don't have that on me, but we can certainly provide that.

**CHAIR** - Effectively there's, what is it, an \$800,000 decline from the Budget and the preliminary outcome in this line item, and then the increase - I don't think it's quite that much.

**Mr ROOT** - No, it wasn't a like-for-like and there was more operating expenditure in that project. We had quite a number of consultants, and so in helping us out with things like the tender process -

**CHAIR** - Under regulatory policy.

**Mr ROOT** - When it was in the regulatory policy side of things. It wasn't case that the individuals just moved across, it was a different mix of staffing, but it was essentially all around that transfer of the Future Gaming Markets work from being policy work to being more in the operational ongoing compliance and monitoring.

## PUBLIC

**CHAIR** - Do you think you can provide that wire at the table or put that one on notice?

**Mr ROOT** - We may be able to get it by the end of this session, but we'll do our best.

**CHAIR** - I'll wait for now and see how we go. In terms of this line item now, Regulatory Policy, what services are provided? Now, there's still obviously some gambling policy matters in this area.

**Mr ROOT** - Yes, that's right. There is support for both the minister in the area of liquor and gaming policy and there's also provision of support to the Liquor and Gaming Commission from a policy advice perspective.

**CHAIR** - Minister, have you got a breakdown of what actually the areas that sit under regulatory policy? It seems like there's a number of areas in this that shows the breakdown for each particular aspect of this. Or is it all wrapped up in one?

**Mr ROOT** - If I could, through you, minister, we do have some breakdown here of expenditure. For 2024-25, direct employee entitlements are \$2.1 million. Supplies and consumables are about \$68,000, and overhead expenses, which will be corporate and over, another all of agency expenses are \$861,000. There's a minimal allowance for capital purchases, which I'm guessing would be IT and that's \$8000, so it's primarily people.

**CHAIR** - So this area also covers matters except the Office of Economic Regulator, this is where this sits?

**Mr ROOT** - The Office of the Economic Regulator is supported by economic policy, which is, primarily, another branch, actually in Dean's section of Treasury, which you might want - through you, minister if that's okay to talk to.

**Mr BURGESS** - The Economic Regulator's Office is, and the Economic Regulator Act, is supported by the economic policy branch, which is under the Treasury's ministerial portfolio.

**CHAIR** - Oh, right, so it sits entirely with Treasury, not with you?

**Mr STREET** - Well, with the Treasurer.

**CHAIR** - Treasurer, sorry.

**Mr SWAIN** - If I could, I should say there is a pretty tight mapping for some branches with specific outputs and Treasurer or Finance minister, but we do have some branches which are sort of three quarters and one quarter the other, so it's a leveraged model, if you like, to support the ministers. It's not a one-for-one, that you'll find everything that supports the Finance minister from one branch or one division, even.

**Mr STREET** - The Economic Regulator obviously supports TasWater as well, which is my responsibility, but the Economic Regulator sits with the Treasurer.

**CHAIR** - So you're the minister for TasWater?

## PUBLIC

**Mr STREET** - Yes.

**CHAIR** - That's unfortunate, isn't it?

**Mr STREET** - They're here for their own GBE hearings at the end of the year.

**CHAIR** - But you don't have a role in that, do you? Could that committee call you as the minister for TasWater? Well, not actually the minister for TasWater, but the minister who has an interest?

**Mr STREET** - No, they appear as an executive team at GBEs without the minister.

**CHAIR** - Do you have any views on their performance?

**Mr STREET** - My responsibility with TasWater is around - there's been a final report on TasWater's approach to sewerage charging which was released in August of this year. That advice comes to me.

**Mr SWAIN** - It is related to TasWater's overall governance model and interaction with the Economic Regulator in relation to policy pricing. It's a subset of what the Economic Regulator does and the wider economic regulatory functions of our businesses, most of which sit with the Treasurer. This particular one sits with the Minister for Finance.

**CHAIR** - It's a wonder anyone can follow anything.

**Mr STREET** - I was going to say -

**CHAIR** - The money that we give of the equity injections we've given to TasWater, would they come through the Treasurer?

**Mr STREET** - Yes, I believe so.

**CHAIR** - What are you responsible for then? The governance?

**Mr SWAIN** - The governance. If the Economic Regulator would need a terms of reference for a specific pricing investigation, the minister would sign off on that.

**Mr STREET** - I would sign off on the terms of reference.

**CHAIR** - Right.

**Mr SWAIN** - It's a very distinct role.

**CHAIR** - As Minister of Finance, your role in engaging with the Office of the Economic Regulator, if there was a review into port regulation, shipping, energy pricing, that would be the minister for Energy? Do you have a role in any of these other ones? Sometimes you look at the terms of reference and think, 'Who defined that?'

**Mr BURGESS** - The minister, in relation to water and sewerage, is responsible for the pricing elements of the *Water and Sewerage Industry Act*. There are pricing regulations that



need to be administered. The actual operation of the Economic Regulator is the responsibility of the Treasurer. You're right that when the regulator does investigations, it can be into a range of different areas. The outcomes end up being matters for consideration for the relevant minister and the Treasurer.

**CHAIR** - So an energy pricing thing is for the Energy minister; port regulation is Infrastructure?

**Mr BURGESS** - Yes. That's how it works.

**CHAIR** - The only responsibility with TasWater is in terms of that?

**Mr STREET** - It is the administration of the *Water and Sewerage Corporation Act* and the pricing that sits within.

**Mr SWAIN** - The admin order will specify the acts. Within the acts, you may actually find that the majority goes with one minister, but a particular element of the act is hardwired to the Treasurer. That's why it gets very confusing.

**Mr STREET** - Very.

**CHAIR** - On the work that's done forecasting economic trends in the economy, we know that there's a lot of pressure and we're seeing it play out federally with the pressure on the RBA - or not, the RBA do their own thing. It does impact the economy of the whole country. What's your role there, and how are you supported in that role? I assume that your area in budget paper no. 1 is responsible for forming a lot of that chapter in the state's economy.

**Mr SWAIN** - That sits with the Treasurer. It's under output 2.1, which is identified under the Treasurer's responsibilities.

**CHAIR** - When I read here, in 2.1 Economic Policy and Advice, which sits under your portfolio according to our description. Sorry, the wrong one, I have to come back down to number 2.2.

I'll move onto tax because that is your area.

**Mr STREET** - That is my area.

**CHAIR** - Good. Common ground again.

You would have read Saul Eslake's report. I'm not asking you to commit to any tax reform or anything like that, but surely as a state and with responsibilities for all of us in this state to consider how best to respond to the serious budget pressures that are existing, shouldn't we at least have a conversation about what we could do?

**Mr STREET** - I think that's exactly what we will have with the Treasurer's committee - a response on behalf of the government to the entire Eslake Report. I think that will lead to a conversation, bearing in mind that we went to the 2024 election with a policy of no new or increased taxes, which makes reform in this particular area difficult at the minute, but having read the recommendations from the Eslake Report -

**CHAIR** - Which shouldn't have been news to anybody, quite frankly.

**Mr STREET** - No. Again, I have to note that the Eslake report landed after the Budget had been set for this year as well, so it's appropriate that we take some time after the delivery of the Budget for the Treasurer to respond in a whole-of-government way to the Eslake report as well.

**CHAIR** - Sure.

**Mr STREET** - I note that some of the recommendations from the Eslake report are quite difficult in the current circumstances as well. A move to a broad-based land tax when we have cost-of-living pressures like we have at the minute would be particularly unhelpful, but I understand the impetus behind why Dr Eslake is suggesting reform in that area potentially.

**CHAIR** - It'd be fair to say, minister, wouldn't it, that any reform of state tax - let's use land tax, for example, because that's the one you raised. There are also some of the other very inefficient and I'd say unfair taxes like stamp duty that feed into this whole argument. If there were to be change, it would take time to even contemplate what it could or should look like, and as we found out in a previous iteration many years ago out of the tax review panel, it would actually require the support of the federal government and transition arrangements to support that. Change like this doesn't happen quickly. It could, but that would not be good. That would probably be political suicide.

**Mr STREET** - No, I believe it would be fair to say that any change would have to be grandfathered in to take account over time.

The Premier named the members of the Budget Committee earlier in the week, so I'm happy to admit that I'm on the Budget Committee. I'm bound, like I am in Cabinet, in terms of the conversations that have been had, but I think Saul Eslake's report is food for thought, certainly.

**CHAIR** - I'm not asking you to commit to anything here -

**Mr STREET** - I understand that.

**CHAIR** - I'm just having it as an open discussion with you about the options here. I believe this is big. The problems we've got are bigger than state taxation.

**Mr STREET** - Absolutely.

**CHAIR** - Even if you did a heap of work on that without completely destroying any credibility that one might have, that's not going to fix the problem.

**Mr STREET** - No.

**CHAIR** - It's much bigger than that.

**Mr STREET** - I think state taxation is a part. A conversation around the GST and the continuation of the no-worse-off guarantee is essential, but I would go further than that to say

that there's one state that's laughing at every other state in the Commonwealth, and there needs to be a conversation around that as well, to be perfectly honest.

**CHAIR** - Part of the conversation that needs to be had that's even bigger than that, because that's pretty big, is the whole federal-state relations situation and how the RBA works as a government-owned bank. It's our bank; it's every Australian's bank. Is there any willingness to even to contemplate a much broader conversation about federal-state financial relations?

**Mr STREET** - To be perfectly honest, I think I'd be overstepping the mark to say yes or no. That's probably a conversation to have with the Treasurer. Admittedly, it would be a whole-of-government conversation as well.

**CHAIR** - Sure. Well, let's hope that some of those conversations can be had. I'm not saying changes, I'm saying conversations. They should look at what's possible. If we can go back to the regulation of gambling activities, there was a commitment made by the Treasurer about the pre-commitment cards. Where's that at and what's happening with that?

**Mr STREET** - The government's position hasn't changed on the introduction of the cards, but there has been a change in the timeframe. I'm happy to go to Jonathon to talk further about that, bearing in mind that I'm not trying to abdicate responsibility for any of this, but the commitment was made when the Treasurer was the Minister for Finance as well. The change in timeframe was made while I was on health leave and he was the acting Minister for Finance, which is why I'm deferring to Jonathon on this particular item.

**Mr ROOT** - The current timeline is to implement the cards in December 2025. The status of the project at the moment is that we've been through a preliminary design phase with the operator, so the card will be operated by MaxGaming who is the operator of the EGM network more generally, and essentially, it'll sit across the top of the current network.

There's a preliminary design there for how the cards will operate, from how an EGM player will interface with it, what a venue will do, the technical infrastructure and so on. That's currently out for consultation with the public. There's a public consultation paper on the Liquor and Gaming website which sets out how everything will work, not just on a technical level, but also things like identification and changes to the limits that are inherent in the policy in terms of expenditure limits and so on. As you recall, there are default limits, but there's also going to be a capacity for those limits to vary. The consultation paper covers the gamut of the issues in implementing the system.

The consultation closes in early October and then in consultation with the operator and the commission the final design will come out of that. Once that final design is turned into an implementation process, there's an estimated nine-month implementation, which will commence around March 2025 and see the system implemented by the end of 2025. That's broadly the outline of the program as the current plan has it.

**CHAIR** - We will probably come to more detail under whatever the relevant number is - 3.2 - but in terms of the policy, the policy hasn't changed? It's just taken a longer period.

**Mr STREET** - Absolutely. The government's commitment to the introduction of this system is exactly the same as it was when it was first announced.

## PUBLIC

**CHAIR** - Okay. I might move other questions on that under 3.2. With regard to the subordinate legislation and legislative review program, as Minister for Finance, what role do you have in the legislative review program, since a lot of it doesn't sit with your portfolio?

**Mr STREET** - I'm going to defer to Dean on this because I'm not absolutely clear on my role in terms of subordinate legislation as Finance minister either, Chair.

**CHAIR** - I know when the Subordinate Legislation Committee has problems with not getting timely information, they usually write to the Treasurer about that.

**Mr STREET** - Yes. I believe my first appointment was to Subordinate Legislation back in 2016 when I got here, with you as the Chair.

**CHAIR** - It was a long time ago, wasn't it? It didn't last very long. I was there for a while on the committee.

**Mr BURGESS** - The minister's responsibilities relate largely to the administration of the *Subordinate Legislation Act*.

**CHAIR** - It's only with regard to the administration of the act itself?

**Mr BURGESS** - Yes, that's right. The Legislation Review Program is an administrative program that's undertaken by Treasury, so it's the policy branch of Treasury that conducts the various assessments in relation to both subordinate legislation and legislation.

**Ms LOVELL** - Minister, I have - I will not say 'niche' question, but maybe an unusual situation that I think you'll probably have some appreciation for. I have been made aware of an instance where a member of the community has taken advantage of the ability to change their name on their birth certificate in order to better reflect their gender identity. They've been able to change their name on their licence through Service Tasmania with no fee and they can change their name on their marriage certificate with no charge, but in order to change the name on their title for their property they would have to pay stamp duty. Is there, or could there be any consideration, to a waiver of stamp duty for that?

**Mr STREET** - This particular situation was raised by somebody else with me earlier in the week as well. I happened to run into somebody in the car park as I was leaving the other night and they grabbed me and I made it clear that they should ask the question.

**Ms LOVELL** - There you go, that's probably how it got to me.

**Mr STREET** - I want it on the record that we absolutely need to find a solution to that situation.

**CHAIR** - Doesn't the commissioner have the power to make discretionary decisions?

**Mr ROOT** - Only within the powers specifically in the act. There's no general discretion, so unless the drafters or the parliament has turned their mind to this issue, there's not a discretion there. There are some exemptions around a whole bunch of -

**CHAIR** - This is not one of them?

**Mr ROOT** - This is not one of them. Breakdowns of marriage and all those sorts of things, they're all covered off, but -

**Ms LOVELL** - To be fair, it's probably not something that anyone thought of.

**Mr STREET** - Thinking about it in the car on the way home, knowing that there were exemptions, the fact that the situation had arisen and somebody had contacted the local MP made it clear that obviously there wasn't the exemption for the commissioner to make that decision, which means there'll probably have to be a legislative change.

**CHAIR** - Is it in regulations, the exemption, or is that in the act?

**Mr ROOT** - The exemptions are generally in the act.

**Mr STREET** - But yes, I make an absolute commitment that I will look at what needs to occur to rectify that situation, Ms Lovell.

**Ms LOVELL** - Thank you.

### **Output Group 3 - Revenue, Superannuation and Regulatory Management Services**

#### **3.1 Tax Administration and Revenue Collection**

**CHAIR** - We have touched on this a little bit already, minister. In terms of the compliance, we did talk to the Treasurer a bit about this - were you across the table then?

**Mr STREET** - No.

**CHAIR** - In terms of the rate of those that aren't keeping up with their obligations, do we have any figure that would indicate that? Because the money here is to administer it, but people who aren't, perhaps -

**Mr STREET** - Are you looking for level of default or -

**CHAIR** - Yes. The cost; the outstanding bills, basically.

**Mr ROOT** - We do have numbers around outstanding debt.

**Mr STREET** - In front of me, I've got overdue debt 2022-24, \$31.7 million on 30 June 2024.

**CHAIR** - That's all unpaid state taxes that we're talking about?

**Mr STREET** - Sorry?

**CHAIR** - That relates to unpaid state taxes?

**Mr STREET** - Yes. That's up from \$27.5 million on 30 June the year before, and on 30 June 2022 it was \$29.8 million. We've had \$180,000 in debt that's been written off since 2022-23 as well.

## PUBLIC

**CHAIR** - Do we know how many taxpayers this relates to? It could be that there's a small number who owe a lot or there could be a lot of people that owe a little bit.

**Mr STREET** - I don't have those figures in front of me. I don't know whether you do, Jonathon?

**Mr ROOT** - I don't have them in front of me. I will say, in that overdue debt figure, there is one very large matter that's before the courts at present, which is about \$17 million.

**Mr STREET** - Yes, sorry, I should have added that in the footnotes.

**Mr ROOT** - That matter's been on foot for some years now. Generally we're looking around \$12 million.

**CHAIR** - Can you tell us what area of tax that relates to?

**Mr ROOT** - Duties.

**Mr STREET** - Two dutiable transactions as a result of compliance activities. They're currently in litigation proceedings before the courts.

**Mr ROOT** - We don't have an individual breakdown. Generally, the largest numbers are obviously in the land tax space. That's where most of the taxpayers are. There are much smaller numbers in duty because the title generally won't transfer unless duty has been paid, so there's a very strong incentive in the duty space for taxpayers to pay their duty and obviously the number of payroll tax taxpayers is smaller.

That overdue debt doesn't turn into very much in terms of actual write-offs though.

**CHAIR** - Most of it you do manage to collect.

**Mr ROOT** - We do get it sometimes over very long periods with very small repayment arrangements of down to \$50 a month and that sort of thing.

**CHAIR** - So, the office actually into enters into payment arrangements?

**Mr ROOT** - That's correct, yes, or our agents do.

**Mr STREET** - And if we receive correspondence to the office about these issues as well, we direct them?

**CHAIR** - Yes.

**Mr ROOT** - Then on the payroll tax front, unfortunately that's probably where the state is most at risk of missing out on revenue because companies go into liquidation and then it's very hard to get the money.

**CHAIR** - Is it more likely to be written-off?

## PUBLIC

**Mr ROOT** - That's right. Of the monies that are written-off, they tend to be predominantly in the payroll tax base. I don't have a first charge on companies or anything like that. So it's very difficult to recover if the company goes into liquidation.

**CHAIR** - Were you considered a secured creditor in those circumstances?

**Mr ROOT** - In land tax we are but not in other tax lines.

**CHAIR** - Right, get in line.

**Mr ROOT** - That's right, yes. Unfortunately, sometimes the Commonwealth gets there before I do.

**CHAIR** - They've got a bigger mob under fearsome lawyers, I reckon.

**Mr ROOT** - That is indeed true, yes.

**CHAIR** - If I could go to the legal costs associated with pursuing this debt, do we have a number that, obviously the large one before the court at the moment? I'm sure there's legal costs associated with that?

**Mr ROOT** - I don't have specific numbers on that with me here. The *Taxation Administration Act* does allow for me to recover the cost of recovering debt and that is the general practice. If someone has an overdue debt and I have to incur legal costs on behalf of the state to recover that debt, then that legal cost is borne via the debtor so there isn't actually a cost to the state in pursuing that.

Yes, we'll incur costs in some of these legal matters and whether or not the state ends up paying that or not will depend on the outcome of the court basis and where costs go there.

**CHAIR** - Would you have any idea, minister, we don't want to pre-empt the outcome of a court, but to lose a case like that, we obviously wouldn't get the \$17 million, but you also might be paying the costs as well? There must be a decision made at some point whether it is pursuant.

**Mr STREET** - Absolutely.

**CHAIR** - How is that decision made? The value of the debt?

**Mr STREET** - I'd suggest when it's \$17.3 million, it's considered worth making the investment, at least, try the case.

**Mr ROOT** - Yes. The state is a best-practice litigator so we don't pursue legal matters if we don't think we're on very firm ground. Similarly, for matters taken against us, we will generally, if we think we're not on really solid ground, settle rather than go through the process. In those cases where there's a genuine issue at hand, it's unusual for courts to allocate costs against a party, so in most cases you bear your own costs. I don't think we've been required to bear the cost of any litigation on the other party in the time that I've been in the role. It's usually a straightforward decision on the principles of law and the rightness of the case that we have.

**Mr VINCENT** - Is it fair to say, by not pursuing some of those debts, that puts a dangerous precedent in place?

**Mr ROOT** - That's right, and also if there's a question of law that you let go past, you're setting, as you say, a precedent for other taxpayers and the Taxation Advisory Community has very good networks and word gets around pretty quickly.

**CHAIR** - In terms of the budget for this line item is a little over \$8 billion. Can you give us a breakdown of how much of that is staff - how many people you have in this area? I assume it is nearly all people.

**Mr ROOT** - We have 64 FTEs in the State Revenue Office and that ranges across the compliance area where we have 27 and 28 in the operations area who basically register taxpayers and deal with debtors and all of that sort of thing. Then we have six FTEs in our legislative advice area which does objections primarily.

As you're probably aware, if someone objects to a tax matter, we have an independent area who hasn't been involved at all in any of the processing. They look at that and they are those six. There are 64 FTEs all across the area and that is the predominance of that item.

**CHAIR** - Is there anything else other than overheads and the usual sorts of costs that you would have which is not an allocation for any other purpose? You would have consumables.

**Mr ROOT** - That's right. We have a component of the agency's IT support area which supports the State Revenue system, that sort of thing. There is some money that we spend on consumables like mail-outs and so on. We send out about 70,000 land tax notices so there are those sorts of things.

**CHAIR** - Who is welcome to getting the mail?

**Mr ROOT** - Yes.

**CHAIR** - Any other questions on tax administration, revenue collection? If not, we'll move on to the regulation and administration of Liquor and Gambling which we've started on, and we will go to Bec to do some more.

### **Output Group 3 - Revenue, Superannuation and Regulatory Management Services**

#### **3.2 Regulation and Administration of Liquor and Gaming**

**Ms THOMAS** - Thank you. Minister to the Chair's question, we noted the government is still committed to the policy decision to implement a mandatory account-based cashless card system for electronic gaming machine play in Tasmania hotels, pubs and casinos but Maxgaming has encountered several challenges in establishing the pre-commitment card technology and won't be implemented until the end of 2025, plus, I understand it's important to take the time needed to get the nation-leading card-based system right.

In the meantime, is the government looking to implement any other evidence-based measures to reduce harm now?



## PUBLIC

**Mr STREET** - If you give me two seconds - we took a number of policies to the election around harm minimisation.

Implementation of a national suite of online wagering harm minimisation measures, which, as you said, includes the first mandatory pre-commitment system for seeing losses in Australia and increased funding under an expanded Community Support Levy.

We have provided \$100,000 to promote awareness of the Gambling Exclusion Scheme, which includes third party exclusion. We'd like to not just promote the awareness of the Gambling Exclusion Scheme, but actually make it easier for people to put themselves onto that scheme as well.

It's an old database and we've been looking at options for how we can modernise the ability for people to be able to put themselves on that scheme quickly when they need to, generally with a protracted way of doing it, people have come from outside of when they're under most pressure and would like to put themselves into that scheme. So we'd like to not just promote it, but make it easier to use as well.

We're examining the option of implementing automatic responsible gambling systems. This is new software that's on machines being developed for machines that monitor player behaviour as well. We've directed the commission, I believe, to attend a conference on the mainland, where there's an exhibition of that particular technology as well, and they're going to report back to us once they've been to that particular seminar.

We're engaging with venues interested in using facial recognition technology to help identify excluded persons. That work is being done through the Premier's Tourism and Hospitality Unit in conjunction with industry. We are also requiring that responsible conduct of gambling training be undertaken by relevant employees every two years instead of the current requirement of every five years. I believe that that is what was gazetted today, to require the commission to put that into place.

**Ms THOMAS** - Training for staff every two years?

**Mr STREET** - Yes.

**Ms THOMAS** - Are there any other supports for staff in terms of where people have self-excluded? I imagine that training includes how to have that conversation and how to tap people on the shoulder?

**Mr STREET** - We have been down to Wrest Point to have a look at where they have introduced facial recognition technology to a pretty high level. They have taken us through the system both front and back of house, and included in the introduction of that system has been work with their staff on how to approach people who have set off the system and are excluded.

Pleasingly, the evidence from Federal when they were talking to us about their scheme is that because it identifies people as they are coming through the door, generally staff are able to get to them before they have even reached a machine and settled in, which reduces the angst, rather than somebody being halfway through a session and then being tapped on the shoulder.

It has reduced the tension in that. They said that anecdotally a lot of people are pleased when they get the tap on the shoulder that they have been identified, but like you said, there has been training for dealing with incidents where there is an escalation in behaviour.

**Mr ROOT** - If I may, minister, while this development is underway, the commission's mandatory code of practice, which is a fairly comprehensive harm minimisation framework for gambling, will still remain in place. All of the controls around advertising, access to cash, provision of inducements and all of those sorts of things will still be there in the period while this other initiative is being developed, so there is a fairly robust framework. The PCG card will improve on that, but it will still be there in the lead-up.

**Ms THOMAS** - So the facial recognition technology has been implemented at Wrest Point - I just heard you say - by Federal Group.

**Mr STREET** - Yes.

**Ms THOMAS** - And you are engaging with other venues on that, potentially?

**Mr STREET** - My understanding is that it is in place at Wrest Point and at the Country Club and at one other of Federal's venues at the Claremont Hotel. They have expanded it to one of their other venues as well to test it. In terms of other venues, that would be a question for the Premier, because, as I said, it is his unit that is driving the uptake of this particular program.

**Ms THOMAS** - So the government doesn't have a policy position at this point in time on requiring venues to implement that? It is something that it is monitoring?

**Mr STREET** - The facial recognition technology that is being installed across the state is being done voluntarily by the venue owners themselves. They wanted to do it to demonstrate the effectiveness of that particular technology.

**CHAIR** - Have they asked for any funding to assist with the cost of that?

**Mr STREET** - Part of the work that Department of State Growth are doing is to explore whether there would be any assistance.

**CHAIR** - Federal Group hasn't asked for funding to do it to the initial rollout?

**Mr STREET** - No, Federal Group has done that off their own bat.

**Ms THOMAS** - We know Tasmanians will lose generally around \$16 million per month on pokies, and that lower bet limits and slower spin speeds could reduce harm immediately. Have these measures been considered by the government? Some say these appear to be fairly simple programming adjustments, so has this been explored at all by the government?

**Mr ROOT** - Those issues have been looked at a number of times in the past. They are not that simple an adjustment to make. Given that the Tasmanian EGM market is very small relative to the rest of the country, to have a set of bespoke machines down here is quite a big change and likely costly. In looking at the best approach to harm minimisation, the government's policy of introducing player cards with pre-commitment is a very strong harm

minimisation initiative, and really would, if it rolls out effectively, obviate the need for any of those sorts of changes to the way that the machines themselves work.

**Ms THOMAS** - So we're still aiming for the end of 2025, which is 12 more months before that is implemented?

**Mr STREET** - That is the current target.

**Ms THOMAS** - In the meantime, facial recognition technology, training and support for staff in that and making it easier for people to self-exclude are measures that the government is implementing. Is that a fair summary?

**Mr STREET** - That is a fair summary, and also the ability of third-party individuals to be able to put people onto the exclusion list as well.

**Ms THOMAS** - Can you explain that a bit further?

**Mr STREET** - It's probably better for Jonathon to explain. It's not the easiest of processes.

**Mr ROOT** - That's right. It feeds into the minister's comment that there are improvements that can be made to the exclusion scheme in the way that people get onto it, making it a lot easier to do. If you look at, say, the BetStop system for wagering that the Commonwealth rolled out recently, it's a very straightforward thing to get onto the scheme.

With third-party exclusions - and what we're talking about here is, perhaps, family members or others who are affected by the gambling - it is a difficult process to go through as application needs to be made to the commission. There are good reasons why you need to have hurdles, because it may well be that the person who's gambling doesn't agree with the other party, but it's certainly an area that, particularly speaking to the minister's previous comments about improving awareness, is probably one of the things that not a lot of people are aware of - the ability for third parties to utilise the service. It is a difficult service, so these initiatives will look at addressing those factors.

**Mr STREET** - We're absolutely committed to harm minimisation in the meantime though, Ms Thomas, before the introduction of the player card gaming. Absolutely committed to it.

**Ms THOMAS** - Thank you. The current consultation on the new player card gaming system - it was mentioned earlier in the cashless gaming system that it's open for feedback until 18 October - is intended to assist MaxGaming in developing the operational requirements for the system, or the commission in working with MaxGaming to develop the operational requirements for the new system. This consultation has only fairly recently opened, but my understanding is the direction from the government to implement this new scheme was issued in 2022, so I'm wondering why we are only now at a time where we're consulting on how the system might be built.

**Mr STREET** - I'll throw to Jonathon, but this isn't the first round of consultation that's occurred.

**Mr ROOT** - The first hurdle that the project faced was the fact that we didn't have a network in operation in the new model until 1 July 2023. The gaming operator worked flat out through the early part of 2023 to implement the new network and to design and build it. We were fortunate in Tasmania in that MaxGaming built an entirely new purpose-built system for the Tasmanian market. The staging really couldn't start in terms of the detailed technical design until the network that it was going to sit on top of was in place, since the player card gaming system relies on the network monitoring infrastructure.

The work really started in detail post the rollout of the new network system on 1 July 2023. There was some beating down through teething problems as well. Basically the people who were building the PCG system were the same people involved in rolling out the network and getting it up and running. The work started once that had happened; a consultation paper setting out the broad technical issues was provided to industry in December - that's up on the website. That was really just to look at making sure they hadn't missed anything from an industry perspective who are actually running machines out there in the venues.

Once that had been completed, we moved to the second phase of development, which has culminated in this consultation process. That's kind of the time line from when the work proper commenced in late last year to now. We're talking a little over 12 months in terms of doing a lot of designs and consultations and some backwards and forwards. The government was very keen to consult widely on this, hence this current process, which is basically open to public consultation on the design.

**Ms THOMAS** - You mentioned broad consultation. I understand there has been some consultation undertaken with industry specifically as well on the changes. What concerns have they raised with you as minister and how does the government intend to support the industry through the changes that will occur come December 2025?

**Mr STREET** - We will continue to work with the industry, obviously, but they've raised concerns about the practicalities of the system. It'd be fair to say that the industry as a whole are proponents of social recognition technology as a means to harm minimisation, but both that option and the PCG were examined by the commission and the overwhelming results of that was the PCG.

We understand that we are going to have to support the industry through the implementation of this. It's why it is so important that we get it right when we do introduce it. It's mandatory, so it can't fail. It can't have a stumbling start and that's why it's so important that we do the work that we're doing now to make sure that we get the implementation right. What we want is to reduce the harm to problem gamblers while having as little effect on casual users of poker machines as possible at the end of the day.

**Ms THOMAS** - Yes, and the hospitality industry.

**Mr STREET** - The hospitality industry as a whole, exactly right.

**Ms THOMAS** - I just have one final question. In terms of the performance information on Table 11.5, one of the performance measures is percentage of grounds for disciplinary action papers submitted to the Tasmanian Liquor and Gaming Commission that result in disciplinary action being taken by the commission. It looks like that's a new measure that was introduced

in 2023-24 because there was no data for the previous year. Oh yes, it does say in the footnote, this new measure introduced and I have highlighted that.

I wondered if you could explain what that means. How many papers would be received which are grounds for disciplinary action and what might those grounds be?

**Mr ROOT** - The commission looks at a whole range of disciplinary actions around any breach of the act really, which might go from a Keno operator playing Keno to a venue operator who's deployed equipment in breach of what their licence says they can deploy. There's a whole range of things that come before the commission as disciplinary matters.

That measure is a measure that looks to test the quality of the Liquor and Gaming branches, advice to the commission and ensure that matters that are going up, matters that are real and genuine breaches that are likely to be disciplined. The sorts of numbers that we're looking at in 2023-24 were 14 disciplinary actions against licensed premises and gaming licensees. There was one against a gaming operator, one against a casino-

**CHAIR** - The gaming operator being?

**Mr ROOT** - The gaming operator is the EGM network. That then switched over to the monitoring operator and there were five disciplinary matters there. Ten against venues under the new Venue Licencing Agreement, four against casinos, two against special employees, one against the 400 games permit holder, and six against the Keno operator. That's the sort of numbers. We're not looking at huge numbers, but there's a reasonable flow through the commission.

**CHAIR** - Can I just follow up? I wasn't sure if I was going to ask some questions or not. When it says grounds for disciplinary action papers, is it one paper prepared for every breach? Not necessarily breach but disciplinary matter.

**Mr ROOT** - There might be more than one breach in a particular matter or a particular individual may have breached the act multiple times. If you think of the Keno example, someone might have played Keno when they're barred from doing so on half a dozen occasions, and then the compliance inspectors have become aware of it and will produce a paper for the commission that will address those.

**CHAIR** - In terms of the outcomes of the commissioner's decisions on these, they're all reported in their annual report?

**Mr ROOT** - That's right. It sets out the nature of the action and if it's a fine; then the number of fines set out there as well.

**CHAIR** - The penalties are a fine, generally.

**Mr ROOT** - Generally, there may be a letter of censure, particularly for more minor matters or for first offenders as a sort of warning and then once you've got that on your record and you breach again -

**CHAIR** - Like when you get a warning for speeding, or something.

## PUBLIC

**Mr ROOT** - That's right, yes.

**CHAIR** - Not that I have any of those, for a very long time.

**Mr STREET** - You sure?

**CHAIR** - Yes, you can check my record if you like.

**Mr STREET** - No worries.

**CHAIR** - You used to have to report those even on your nursing registration, even just to -

**Mr STREET** - A warning.

**CHAIR** - No, they were full disclosure. So, be very careful.

**Ms LOVELL** - Minister, I had a question about the revenue from taxes about gaming on page 106 in budget paper 1. Given that the measures that are being introduced around harm minimisation, the idea is to reduce losses from gaming. Why do we not see that reflected in the taxes and revenue collected from gaming over the forward Estimates?

**Mr STREET** - That's a fair question. I'll defer to Jonathon.

**CHAIR** - To put the tax rates up, to compensate. Now, there's a thought.

**Mr ROOT** - Look, the answer is, we don't have an estimate for out years yet in the absence of the final design and implementation, and the fact that the casino won't come into the PCG framework until the later date, that we haven't confirmed yet. I anticipate there will be a number in the next Budget, but at this stage, it's a little early to confirm what that number would look like. As you say, an effective harm minimisation strategy will lead to a reduction in player loss. There are, obviously, other factors at work in a fairly major reform to the entire gaming structure that happened last year and the nature of the player response is difficult to nail down, particularly. But we do have some things that will help us to be more accurate. For example, there's a mandatory pre-commitment system in place in Crown, in Melbourne, that came in December. We'll be certainly monitoring that very closely to have a look at the effect that has on players and we'll be building that into our Estimates.

**Ms LOVELL** - So we might see a clearer picture in the next Budget, maybe?

**Mr ROOT** - That's certainly my hope and if we don't, I'll have a difficult time answering this question, but yes, that's certainly the plan.

**Ms LOVELL** - Thank you.

**CHAIR** - Minister, can I - just in terms of questions under this line item, are you responsible for any community assistance and the Community Support Fund which is the Community Support Levy.

**Mr STREET** - Yes, I am.

**CHAIR** - Okay, we'll get to that then. Are there any other questions on 3.2? We will move on to 3.5, the administration of grants, subsidies and concessions. Sarah, that is back to you.

**Output Group 3 - Revenue, Superannuation and Regulatory Management Services**

**3.5 Administration of Grants, Subsidies and Concessions**

**Ms LOVELL** - I'm just wondering, minister, if you could provide an update on any progress that's been made on the commitment to introduce a 5 per cent levy on short-stay accommodation to be paid by the visitor, I understand.

**Mr STREET** - We are currently out on consultation on that particular policy. It's the last of our election commitments to be implemented. The rest of them were implemented in one tranche of legislation in June. State Growth are also doing a little bit of work on that as well and we're monitoring the situation in Victoria as well where they're about to implement the same policy as well.

**Ms LOVELL** - It kind of feels like the parliament's passed the spending measures, but not the savings measures yet in those tranches. Does that mean there's a shortfall or potentially a shortfall in the Budget?

**Mr SWAIN** - Minister, this was Treasury advice to the minister and it was very pragmatic that Victoria was doing a lot of work, including with the key operators, and we wanted them to crunch some of the big practical challenges.

**Ms LOVELL** - Pave the way, a little bit.

**Mr SWAIN** - Yes. It would have a minor impact on the Budget but we are talking about \$11 million in our revenue stream of just under \$9 billion so it's a very small part of the overall revenue.

**Ms LOVELL** - Thank you. That's all I have, Chair.

**CHAIR** - Are there any other questions on that? I've got a question there. With the payroll tax exemptions, it appears that they'll end. I haven't got it in front of me, what year. Is it the plan that they will cease?

**Mr STREET** - They're time limited so they're, obviously, cut off at a period in time in the Budget and the forward Estimates. What that basically reflects is that we will make a decision at the time that they end as to whether they continue at that rate or at a different rate but that is a decision that will be made at that time.

**CHAIR** - If they were to continue, which is probably likely, but not certain, then that will obviously have a negative impact on the budget situation because it's revenue foregone.

**Mr STREET** - Yes, we absolutely acknowledge that and it's why we need to have discipline around not just expenditure, but decisions around foregone revenue as well because, like you said, they have exactly the same effect on the budget bottom line, so we will consider

those particular policies and those exemptions, the effectiveness that they've had and whether they need to continue or not at that time.

**CHAIR** - The challenge is you have a budget that's going in the wrong direction, we have a Treasurer who says is on a pathway to an operational surplus in 2029-30, which is fanciful, in my view. They have all these other things that aren't yet reflected but could occur. Do you share the Treasurer's view that you're really on a pathway to a sustainable budget?

**Mr STREET** - I do believe that we are on a pathway to a sustainable budget, but like I said -

**CHAIR** - When do you think that might be achieved, minister?

**Mr STREET** - I believe the Treasurer has said that he's looking for an operating surplus in 2029-30.

**CHAIR** - The question was about when you think it might be sustainable?

**Mr STREET** - That's probably a question for the Treasurer and the whole of government because there's going to be any number of decisions that are going to be factors around that. What I can say is that we will be making very considered decisions in my portfolio around decisions where we're foregoing revenue. But bearing in mind I have to say that supporting people in first homes and what have you is still, in two years' time when that particular policy that we took to the election expires, is -

**CHAIR** - Into newly built homes, not -

**Mr STREET** - Is still going to be important.

**Mr SWAIN** - Minister, if I could, obviously, from Treasury's point of view, we will be giving advice in the context of the economic climate of the day. Interest rates will be critical to that, as will inflation. I think you could probably imagine where Treasury's advice might lean. But I was just going to make the point that we also shouldn't lose sight of the fact that interest rates themselves are probably likely to come off which will have a stimulus effect on the economy and then tax revenue.

**CHAIR** - Well, they did not yesterday, or whatever day it was.

**Mr SWAIN** - No.

**CHAIR** - No.

**Mr STREET** - They didn't. I read a piece from Mark Bouris this morning talking about the fact that rents and interest rates are the two keys driving the cost of living.

**CHAIR** - It not really matters that the state has many levers to pull on.

**Mr STREET** - That is exactly right.

**Mr STREET** - But they will have a significant effect on the levers that we do pull.



**Mr SWAIN** - I was only linking back to a GST pool really.

**CHAIR** - That is the other challenge, isn't it? That is the other source of revenue that we rely very heavily on. Movements in that have a big impact on state.

**Output Group 4 - Community Assistance**  
**4.2 Community Support Fund**

**CHAIR** - Okay, if there are no other questions on that we might go to our output group 4.2 before we go to 90.8, which is the Tasmanian home builder grant. This was left off our list. This is the -

**Ms LOVELL** - It doesn't appear as a line item though either, in this output.

**CHAIR** - Is it appropriate? That is because there is no appropriation for it.

**Ms LOVELL** - No, it's under the Treasurer on page 376.

**CHAIR** - That is the expense one. In any event, we should ask some questions about it. I was looking in the budget papers, not the revenue appropriations.

**Mr STREET** - The homebuilder grants?

**CHAIR** - The community support fund, which is the community support levy, which comes from the gaming industry. I thought it was very appropriate to talk to you about that.

Minister, in terms of that, the amount of money that has been raised from that and what - because there are requirements around where it's spent. If you could talk us through how much has been raised and in the 50 per cent, 25-25 per cent split, what's been expended in those areas.

**Mr STREET** - I will speak briefly as an overview. The Community Support Levy was established on 1 July 2023 and is comprised of contributions from the Community Support Levy, a direct contribution from the licence monitoring operator, Max Gaming, and any Tasmanian government contributions. The government committed, as part of the future gaming market reforms, to increase the amount of available for distribution to support gambling harm minimisation. From 2022-23, estimated community support levy of \$4.18 million to \$8.36 million. The fund supports harm minimisation activities such as gambling support programs, prevention and early intervention research, community development, and as you said, 25 per cent goes to Tasmania for sport and recreation activities. It allows a flexible approach to targeting funding where most needed.

Obviously, as the Minister for Sport and Recreation, I am delighted to get access to 25 per cent of it. I have used a reasonable amount of the allocation that I have been given to expand funding for state sporting organisations this year. That amount has been at a set amount of about \$850,000 and then topped up with \$300,000 to bring it to \$1.15 million for, I think, 10 years or more.

**Ms LOVELL** - A lot longer.

**Mr STREET** - A lot longer, so we've used some of the -

**CHAIR** - You can talk more of that on the Sport and Recreation portfolio if you like. If you can focus on the other areas, it would be great.

**Mr STREET** - In terms of the other areas, I will defer to Jonathan as to where that money has been spent, and also to any amounts that are left over as well.

**CHAIR** - Do you have the total that was raised in the last financial year?

**Mr ROOT** - Yes. CSL receipts in 2023-24 were \$7.9 million. The government has made \$8.36 million available for this year for bids from agencies. If you recall when the FGM reforms went through, the legislation removed the hard splits of 25-25-50 and there's now a regulation that sets out the approved purposes to which the funding can be made. Obviously, there is the 25 per cent of the receipts that goes to Active Tasmania.

The other funds are bid for by agencies and dispersed there for various activities. About \$4.8 million will go to those, so gambling support program, there's an allocation for supporting neighbourhood housing and there's money for research and so -

**CHAIR** - How much was that for neighbourhood housing?

**Mr ROOT** - That's within that \$4.75 million. I mentioned. It's \$1.5 million, I think annually, is for neighbourhood housing. Treasury puts aside a little bit for the social and economic impact study that's required every five years. That's a fairly big and thorough study. It usually costs us around \$1 million so -

**CHAIR** - When's the next one of those due?

**Mr ROOT** - 2026.

**CHAIR** - Has there been some money put aside?

**Mr ROOT** - We take some money out of the fund there; about a quarter of a million dollars, we take out for that. The exclusion scheme database is paid for out of the CSL. There's a small amount that goes to that, I think less than \$100 000 supports that.

Then we have put aside out of 2024-25 \$1.4 million to cover off anticipated costs around the major projects for things like any cost the government incurs for the PCG and any requirements that we have to retool the exclusion scheme to be brought up to the sort of standard that's needed for some of the things the minister mentioned earlier. That's broadly where that 8.36 will go, 1.9 to Active Tasmania, that 4.82 to GSP Neighbourhood Housing and research and so on.

**CHAIR** - When you say, 'research and so on', has money been spent on research?

**Mr ROOT** - We haven't received the bids yet for this year. We've advised agencies of the pool that's there to be bid for, but we haven't had the bids.

**CHAIR** - Is that just available to agencies or can people like TasCOSS apply for that?

**Mr ROOT** - How it works is the agencies will bid for money to fund things like grant programs that can then be bid for by TasCOSS and so on. In the sporting world, the money goes out to the sporting clubs but Active Tasmania manage that funding.

The process effectively is, you know, we collect the money, we advise agencies of the allocatable fund, then they make bids. The commission reviews those bids to ensure that they comply with the regulations and the approved expenditure areas and then the minister will then consider it and sign off on it.

**CHAIR** - In terms of any bids for research, is that a particular bucket?

**Mr ROOT** - No, the only bucket now is essentially the 25. The rest of it goes depending on the on the bids.

**CHAIR** - If I was TasCOSS, say, and I wanted to do a piece of work on gambling related matter in terms of assessing a harm minimisation program they may be wanting to deliver or deliver, how would I know who to approach to put in a bid to then get them to put the bid in to you to get it back and then back round we go back to you, back to the minister, and the answer is later?

**Mr ROOT** - It's a very thorough process.

**CHAIR** - I'm sure it is.

**Mr STREET** - I imagine it would be TasCOSS approaching DPAC as their agency and then DPAC putting the bid in to Treasury.

**Mr ROOT** - Yes, that's correct.

**CHAIR** - When you say you haven't received the bid

**Mr ROOT** - For this year.

**CHAIR** - And this is perhaps not a question you can answer, minister, but DPAC or minister Jaensch perhaps in his Community Services space, actively go out there and say, 'Look, there's some money available in the Community Support Fund that you can apply for for purposes as under the regulations, give me your bids'.

**Mr STREET** - That's a matter for minister Jaensch.

**CHAIR** - Well, I'll ask him tomorrow.

**Mr STREET** - I can say that all ministers are well aware of the fact that the CSL has doubled and there is more money available as well.

**CHAIR** - Okay.

## PUBLIC

**Mr ROOT** - If I may, minister, I understand GSP does have an advisory body that assists.

**CHAIR** - Who does?

**Mr ROOT** - The Gambling Support Program.

**CHAIR** - That sits within your branch?

**Mr ROOT** - No, that's in DPAC.

**CHAIR** - Okay, any other questions on the Community Support Fund? No.

We'll go then to 90.8. This is in Finance General on Page 88 if you're looking for it in the budget papers, no 2, volume 1

### **Output Group 90 - COVID-19 Response and Recovery** 90.8 Tasmanian HomeBuilder Grant

**CHAIR** - Do you got any particular questions on it, Dean?

**Mr HARRISS** - No, not really, because it's under the COVID-19 response and recovery. That's not related to the drop from 30 to 10, is it, this line item?

**Mr STREET** - No. It was a separate program that was run in conjunction with the Commonwealth at the time.

**Mr HARRISS** - Just the finalisation offered?

**Mr STREET** - Yes.

### **Grants and Subsidies**

**CHAIR** - We will go to Grants and Subsidies. I assume these are the ones in Finance General? There's the First Home Owner Grant and there's the payroll tax assistance. I think they're the only two that relate to you?

**Mr ROOT** - Yes, that's right.

**CHAIR** - Do you have numbers of how many First Home Owner Grants have been awarded in the last financial year?

**Mr STREET** - I'm sure I do.

**Mr SWAIN** - We had 471 in 2023-24. I don't have the cost in front of me, but I presume it's 471 times \$30,000 which will be \$14 million or thereabouts.

**Mr STREET** - \$13.9 million, that's the figure next to it.

**Mr ROOT** - It won't necessarily all be 30. Some grants are paid for applications from previous years when they were at different rates, but it will predominantly be the \$30,000.

## PUBLIC

**CHAIR** - The number in the grant, according to the budget papers is 21 in 2023-24 - that was the budget so the actual number might be different.

**Mr STREET** - Yes.

**CHAIR** - You budgeted for \$21 million basically, or \$22 million nearly? Are you saying it was more than that?

**Mr STREET** - No, it was \$13.9 million.

**CHAIR** - 13, sorry, right. Is that an indication that there are less people wanting to do that or there's less opportunity because we're not building enough houses? It only relates to new builds.

**Mr STREET** - Yes.

**CHAIR** - Sensibly, we know how inflationary these things can be.

**Mr STREET** - I think we would be guessing as to why it was less than what was budgeted for.

**CHAIR** - Okay, so then the budget next year for it is only, say, \$10.5 million, do you have any reason why you would drop it back? Is it because that is half what you were budgeted for the year before?

**Mr STREET** - Yes, the amount has gone back to \$10,000.

**CHAIR** - Because that picks it up, right? Yes, it did go back in that time, yes. Then, in the forward Estimates period, it is down to \$4.5 million. Does that indicate that you are going to drop it further?

**Mr STREET** - I do not think there is any intention of dropping it further. I am not quite sure why the forward estimate would only be \$4.6 million.

**CHAIR** - It is \$6 million less than the year before. Do we have any indication as to why that might be the case? To make the books look better perhaps, Secretary?

**Mr SWAIN** - No, look, I do not have that at my fingertips why it does that. We can look into that and take it on notice if you would like.

**CHAIR** - I mean it is basically the same figure as forward Estimates, or it goes down and up a little bit, which is a bit odd in many respects.

**Mr STREET** - If I can just go to Dean.

**CHAIR** - Dean might have an answer.

## PUBLIC

**Mr BURGESS** - Thank you, minister. I suspect it may be that some of the previously higher paid grants were available, have been going through processing and qualification, and then being paid out this year as a transition, so it is a lag effect.

**Mr HARRISS** - You can have a contract now, as in a build contract, but not having claimed yet.

**Mr BURGESS** - You did have a period of time to qualify for the payment.

**CHAIR** - Not cooking the books then?

**Mr BURGESS** - Of course not, Ms Forrest.

**CHAIR** - The Treasurer will be doing that, not you.

**Mr BURGESS** - But when you look at the outviews, I think that reflects you've then moved fully from the previously higher grant funds through to the lower grant.

**Mr STREET** - That \$10 million is a tail of applications that are being paid out at the higher rate.

**CHAIR** - Okay. I just mentioned this briefly earlier, minister, the payroll tax assistance. The footnote tells us the variation in payroll tax assistance primarily reflects an increase in the take up of the payroll tax rebate for eligible apprentices, trainees and youth employees in 2024-25, with expenditure expected to gradually decline reflecting that the rebate is time limited value to employees. I mean we have had - I think it has really covered this offering as previous comments. Noting that there is no allocation or no anticipated allocation at all in 2027-28. I guess we have to wait and see what you, in your wisdom, decide.

**Mr STREET** - Look, I think it does make the point that we need to make considering foregone revenue, like I said, as we are about any new expenditure as well, Chair.

**CHAIR** - Well, we do. I mean there is a lot of money revenue foregone. A lot of it - all of it, they should argue - is for a very good reason. Particularly, members of the public are finding it hard, like the energy rebates and things like that. Thanks everybody. Any other questions?

**Mr STREET** - I saw the federal Treasurer trying to claim that he had reduced inflation nationally today because it's down to 2.7 per cent but then somebody pointed out it is because the energy rebates came through and knocked everybody's bills down and the actual underlying rate is still 3.5 per cent. So, he had to get back in his box.

**CHAIR** - We all use numbers to suit ourselves at times, don't we?

**Mr STREET** - Don't we.

**CHAIR** - You may well be responsible then for the water and sewage concessions and subsidies that sits there.

## PUBLIC

**Mr SWAIN** - I think the subsidy sits with the Treasurer. It is - I don't think, I think that

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**CHAIR** - What do these subsidies relate to then?

**Mr SWAIN** - I think these are the combination of both the Treasurer and the Finance ministers' grants and subsidies and this is - I beg your pardon, I was confusing two things. The local government grants actually includes the arrangements in relation to the movement of the sewage treatment plant at Mac Point.

**CHAIR** - That is under local government though?

**Mr SWAIN** - It is.

**CHAIR** - But that is really for water and sewerage.

**Mr SWAIN** - Part of it is. It is a payment of the government share in relation to its equity ownership in water and sewerage, which is not for this minister.

**CHAIR** - So it is a minister a little bit later. It is a local government minister, that one?

**Mr SWAIN** - Yes.

**Mr STREET** - No.

**Mr BURGESS** - If you're asking about the water and sewage concessions and subsidies that is under an act administered by the Treasurer's as my understanding, and that's the payment for pensioner concessions for water and sewerage bills.

**CHAIR** - Right. So that's not your responsibility. You can see why every person gets confused.

**Mr STREET** - Absolutely.

**CHAIR** - Even above average person's probably being confused. Okay.

**Ms LOVELL** - When they're reading the budget papers.

**CHAIR** - Well, probably not quite so sad, is that? Okay. So, yes, the local government grants will come probably more to that in the next portfolio, minister, but this relates to the water relocation of the Macquarie Point, the wastewater treatment plant.

**Mr SWAIN** - Dean has corrected me that this is actually the Treasurer.

**Ms LOVELL** - Didn't we have a talk about that with the Treasurer?

**CHAIR** - The relocation of the water and sewerage? But this is under local government. According to the footnote.

## PUBLIC

**Mr BURGESS** - Sorry, and again, I suspect it's under local government because the payment to TasWater is a local government authority.

**Mr SWAIN** - I think it's the dominant equity owner of water. It is local government, that's why, yes.

**CHAIR** - That's why she said -

**Mr SWAIN** - It's the notional owners. The grant is notionally going through their local owned -

**CHAIR** - Just before we get to the local government portfolio, can you tell me how much of the local government grants relate to that fact because the rest of it would be in relation to the Minister for Local Government, I would think, unless it's all of it. We have \$138 million in 2023-24, \$58 million in 2024-25 and 2025-26.

**Mr STREET** - Government's contribution towards the relocation in the Macquarie Point sewerage treatment plant to Selfs Point is increased by \$124 million from \$100 million. The splitting cost between the state government, 5/7 and TasWater, 2/7 under the original data arrangement has not changed. Funding for the relocation in the 2024-25 budget, budget paper 2, volume 1 is as follows: 2023-24, \$20 million; 2024-25, \$20 million; 2025-26, \$20 million; 2026-27, \$144 million; 2027-28, \$16.5 million.

**Mr SWAIN** - So it's the big uplift that you can see in that table.

**CHAIR** - Yes, but there's obviously other grants - local government grants - that sit in another portfolio that don't relate to the water and sewerage relocation to that Macquarie Point one.

**Mr STREET** - Yes.

**CHAIR** - Why don't I make you the Treasurer and we can have it all in one! No? Alright, no. Are there any other questions on grants and subsidies. Okay, we might take a break now before we move on to local government. Okay. Is your team here for local government yet or?

**Mr STREET** - They will be here in 2 minutes.

**CHAIR** - That's alright, we'll take 5 minutes.

**The Committee suspended from 4.48 p.m. to 5.06 p.m.**

### **Output Group 6 - Local Government**

#### **6.1 Local Government**

**CHAIR** - Thank you, minister. I will move on to your portfolio of Local Government and I invite you to introduce members of your team and if you'd like to make an opening statement in relation to this, that'd be great.



## PUBLIC

**Mr STREET** - To my right is Mike Mogridge, Acting Executive Director, Office of Local Government. To my left is my Chief of Staff, Tim Lovibond, and when he gets here, Mathew Healey, Acting Deputy Secretary, Strategy and Delivery from DPAC.

Our government remains committed to making sure our local councils can serve their communities well now and into the future. We want our councils to be in the best possible position to support the wellbeing, sustainability and prosperity of all Tasmanians and we want to work alongside the local government sector in achieving this goal.

It's for that reason that back in 2021 we announced the Future of Local Government Review with the interests of Tasmania's local communities front and centre. The review provides a once-in-a-generation opportunity to consider how to shape a flexible, adaptable, and sustainable local government system that can respond to the growing demands and changing needs of our communities in the decades ahead.

The board's final report recommendations outline a suite of measures to improve the overall governance of councils, the transparency and the sustainability of the sector. The recommendations have required careful thought and will take a long-term commitment in collaboration with all levels of government and our communities to be successfully implemented. This budget has allocated \$250,000 for the Office of Local Government to continue their work with the Future of Local Government Review. This allows them to lead the priorities of our response to the review as they work with our 29 councils as well as our peak bodies in LGAT and LGPro to ensure our councils are in the best position to serve their communities.

I'm proud of the government's priority and legislative reform program that's being developed in response to the Future of Local Government Review. It's an important body of work and has never been about quick fixes and I look forward to releasing our formal response to the review in the coming weeks.

Tasmanians should have confidence their local councils are delivering for them where it matters and I look forward to working with our sector to deliver these lasting changes, but I do recognise that there is plenty more work to be done and I'm up for the challenge. Happy to take questions.

**Mr VINCENT** - Thank you, minister, for those opening comments. I will acknowledge that there are a couple of ex-mayors that still haven't lost all their stripes yet and still have half a hat on each day when we walk into the Chamber. Some of these questions may be around that.

**Mr STREET** - No different to the phone calls I get from a couple of the mayors that are still at this table.

**Mr VINCENT** - Quite correct. I'd like to start off and I'm glad that Matt's just joined us now because I've got about seven or eight different questions to go through, but one of them is that \$250,000 has been raised by quite a few people, with phone calls to us that it's not enough to keep the process going.

The full part of the question is that the funding of the Office of Local Government has been worried about in local government terms for some time because of the number of projects

that got started and we'll touch on the code and conduct and the review of the act. You said in your opening comments that you would like to take a long-term approach. Some of these things have been going on for almost as long as I was in the mayor's seat and still haven't been finalised or have been trickled through.

My first question is, is that funding enough that we've presently got? How do you see that being effective for the division to be able to carry out some of those things?

**Mr STREET** - Before I defer to Matt, it's a contribution towards the Office of Local Government and working through the process, but we absolutely acknowledge that it's not enough to get the job done and that's patently obvious. What we wanted to do was make sure that we could continue to staff the Office of Local Government, to progress the legislative priorities that we've got for next year to start with and some of those are around councillor conduct and improving that. Some of it is the issue around reporting frameworks for councils as well and bringing them into line so that we're comparing apples with apples, which I know is a particular bugbear of yours, Mr Vincent.

The only way that we're going to get continuity of the information that's delivered from councils to the Auditor-General and to the Office of Local Government so that we can compare councils' performance, is to legislate for it. What the \$250,000 is for is to continue to staff the Office of Local Government to be able to progress those initial priorities as well.

**Mr HEALEY** - Through you, minister, I think the key point here is what you included in your opening statement, that these are really long-term reforms. The issues that we talk about in the Future of Local Government Review and more broadly in the reform programs being managed by the office, are issues we've been working on for a long time.

We've made some progress in terms of code of conduct changes. Going back earlier in my time, we made some progress in terms of some reforms around the electoral framework, and they continue to flow through all of the work that we've got on now. The \$250,000 gives the office the ability to stay connected to all of those streams of work and to work with the sector on identifying the next set of priorities, and then the next pathway forward, both for structural reform for local government, but also for those less 'in-the-lights' concepts like trying to improve performance and accountability, understanding how well local government is doing in some areas, and how some areas may need to be improved.

The \$250,000 is not a reform budget, but it is enough resource for the office to continue to identify those things that we need to continue to do and work with the sector and the government on how best to do them, if that makes sense.

**Mr VINCENT** - Certainly. The highest percentage of staff, councillors, GMs and everybody involved want to see some solid reform that's going to make local government stronger, because that's the sector of government that's closest to the people, and as part of that it should be a positive thing to feed back into state and federal government policy and procedures.

But, it is difficult, especially for the number of regional councils around Tasmania, to resource a lot of this happening. That's no different from when you add the reforms going on with planning - and that's been a non-stop battle for 13 or 14 years now - and it is an enormous cost to metropolitan and regional councils to keep funding reform that doesn't really trickle

through at the pace that it probably could or should. You'll probably see me refer to that a couple of times in my questions.

**Mr STREET** - As minister, before you go on, I also acknowledge that there's been a significant - whether it has been financial or whether it has been in diverted man-hours - commitment by the 29 councils to this review, on the amount of work that we've asked them to do to get to this point. I've been quick to acknowledge that with every council that I've met, the engagement from councils in this review process has been over and above anything that I think we could have expected as a state government back in 2021 when we started. I think we've been surprised by the willingness of the sector to actually engage in this conversation, finally, because the prevalent line of thinking was that councils were all stuck-in-the-mud, happy to do things the way they were doing them, and that's turned out to not be the case. It's why it's been important for us to not just engage with the 29 councils, but with LGAT as a representative body.

Something that we've tried to really improve is our engagement with LGPro, because the people who are employed in the industry have a great deal to contribute in terms of reforms for the sector. They are at the coalface every day so we want to make sure that we're engaging with them.

**Mr VINCENT** - Yes, I think I won the award for attending the most forums during that debate. I wasn't going to miss my opportunity. It was all a very good conversation.

Stepping on to the next line - and these aren't meant to sound like DDs or anything like that, it's all about gathering the information on all this, and they are my own questions I might add, Chair, but -

**Mr STREET** - Trust me, they are.

**Mr VINCENT** - I've got here, the 'stop-start, go-slow' on the review of the act. I know you want to bring certain parts of the act in, but I'd really like to understand that a little bit more when we've got this opportunity here now, to cover some of those things.

**Mr STREET** - It would be fair to say that the idea of going to a wholesale all new Local Government Act has probably been shelved for the time being while we work through some of these priority streams of work.

**Mr MOGRIDGE** - More than happy to say something, minister. Yes, I think in going to your point at the beginning, Kerry, in relation to the broader reform and supporting the sector, I think one of the things that we've been cognisant of is engaging directly with LGAT about the priorities that we need to deliver first and foremost, and I do believe we can deliver some tangible solutions in relation to the local government sector, particularly starting with lifting standards of professionalism, conduct and integrity.

We will see when we start to engage with the sector about some of those potential reforms that we are referring directly to some of those legislation review recommendations from 2018, to make sure that we're bringing back the reforms that matter most to the sector and implementing those through legislative design as a priority. Again, to Matt's point, it's not to say that I think that those reforms are being abandoned per se, it's about making sure that we're turning our mind to the priorities that the sector wants and needs first and foremost.

**CHAIR** - In terms of the priorities, have you got a list of priorities?

**Mr STREET** - We do. When I spoke to the LGAT conference three weeks ago, I outlined five priority areas. The first one is lifting standards of professionalism, conduct and integrity across the sector. Priority two is driving a high performing, transparent and accountable sector, so that goes to the point I was making about having consistent data reported. Improving local democracy and representation - that goes more to the fact that we've committed to a standalone local government election bill. I made the decision to introduce compulsory voting a couple of months after I became minister.

**CHAIR** - Without a whole heap of consultation, as I recall.

**Mr STREET** - It would be fair to say that it was a judgment call that I made. In order for it to come in for the next election, I had to make the call pretty much a month after I became minister and so I did. The preparatory work had been done, but for me personally, as minister, the consultation was probably less than it needed to be, and I committed that it would be the last decision that I made that way.

**CHAIR** - I remember you saying that.

**Mr STREET** - The idea around having a separate bill for local government elections is to make sure that we facilitate that compulsory voting, and the methods of voting and everything else that went with it. We know that there were issues at the last lot of local government elections, but they were not dissimilar to issues that we have at state and federal elections as well. There will be a standalone local government elections bill and we're looking to deliver that before the next lot of council elections in 2026.

**Mr HEALEY** - That's the intention, absolutely.

**Mr STREET** - Priority four, supporting council financial sustainability. Priority five is the one that everybody talks about but we've made clear isn't the sole reason for the review, and that's facilitating council and community-led amalgamations. They are the five priority areas.

**Mr VINCENT** - Thank you, good to hear. The timing on some of those coming through?

**Mr STREET** - In terms of the first two, I think we'd like to use that to drive our legislative agenda for the next parliamentary year, so next year.

**CHAIR** - That said, should there be a councillor code of conduct piece of legislation?

**Mr MOGRIDGE** - That is absolutely right. We're proposing to have a first tranche which is prioritising the integrity and professionalism of the local government sector. We'd be looking to do some consultation on that, subject to working through the minister, towards the end of this year, with a view to pushing some legislation in around the autumn session.

**Mr STREET** - That's about how we deal with the most egregious behaviour, because obviously the code of conduct system isn't set up to deal with that as effectively as it should.

## PUBLIC

Part of the conversation around that would be TASCAT's involvement, potentially, in that process, so that it's got a legal basis behind it.

**CHAIR** - And an appeal process as well.

**Mr STREET** - Exactly right. There was talk from councils when I did a tour of the state that, 'You just need to invest the power in yourself as the local government minister to dismiss members for the most egregious behaviour', and I said, 'Careful what you wish for'. I meant it quite seriously.

I believe I was at West Tamar Council and Geoff Lyons was there, and I said, 'If Geoff did something' - and I wasn't saying that he ever would - 'that required dismissal from office and I had the power to do it and had to do it, the first accusation would be "'State Liberal Local Government minister dismisses former federal Labor member"'. There has to be more rigour in the process than that. And like you said, there have to be appealable rights as well to make sure that we're getting this right. Dismissing somebody from elected office -

**CHAIR** - Natural justice is important.

**Mr STREET** - That is exactly right, and it's a serious issue. That is a piece of work that we're looking to drive almost immediately. That comes to lifting the standards of professionalism, conduct and integrity across the sector. Quite frankly, I don't know what other former members of local government think, but I think that just the fact that it exists will be enough to change some behaviour for the better at the local government level.

**Ms THOMAS** - Some.

**Mr STREET** - Some. It won't be the silver bullet that cures all of it, but I know for a fact that I've witnessed local government members basically laugh at the code of conduct system at the minute because they know that they can game it.

**Mr VINCENT** - It has just dawned on me that the four gentlemen here that are involved with local government never had a grey hair in their head.

**Mr STREET** - I'm more worried about keeping the number of hairs on the head than the colour of them.

**Mr VINCENT** - You were starting to move into code of conduct, and that's the next item I have here. Certainly, that's been a lot of work, and we have seen code of conduct be a badge of honour to a lot of people. Every councillor wants some defined rules and regulations. We know those rules and regulations aren't everything, but with the cost involved in going through that and doing it all, and the involvement of senior council staff and then the board that we use, code of conduct is getting very expensive for councils. The people that are causing that trouble don't seem to understand. I'd like to understand where you are with that system and where it might be heading.

**Mr STREET** - There's some work that's just landed and it's just gone through subordinate legislation in terms of regulations for councils. They'll all be required, within the next 12 months, to have a mediation policy. The idea is that that mediation policy can hopefully get rid of some of the vexatious claims and what have you before they even hit the code of

conduct system, because we know that for all the good intentions of bringing the code of conduct system in, it's being weaponised. We felt we needed something to short-circuit that at the start, which is the mediation policy.

**CHAIR** - Those regulations haven't been tabled yet, have they?

**Mr HEALEY** - Yes, I believe they have.

**Mr MOGRIDGE** - Yes, they have.

**CHAIR** - Oh, I missed those ones coming through.

**Mr STREET** - They were tabled on 10 September. That work's been done at the front end of the code of conduct, but we also know that there's more work to do going forward as well.

**Mr MOGRIDGE** - To add to that, the regulatory framework is a bit of a multi-pronged approach. Quite rightly, we have mediation strategies at the front end to try to resolve some of these issues before they become festering long-term disputes that end up causing so much grief later down the track. We've tightened up some of the determination components as well. For example, the panel can recommend to the minister the issuance of a performance improvement direction, which provides another layer of accountability in relation to how we use our regulatory tool sets.

Also relevant to that, going to the minister's earlier comments, is how do we leverage this to mitigate the lower level complaints? We still have the code of conduct framework which is relatively accessible regarding conduct, but then we also integrate a serious misconduct related pathway, potentially to TASCAT, where we can absolutely respond to some of those more acute, egregious behaviours in a way that gives the sector confidence that those things can be responded to more effectively.

There are a few different components to this that I think we're looking to explore through that first tranche of legislation, and separately, there's work health and safety related matters that we're also looking to support the sector on as well.

**Mr STREET** - If you want proof that we need to find a way to lower the number of complaints at the initial stage: in 2015-16, when it was introduced, there was one complaint that was dismissed on an initial assessment. From there, we went to 23, then nine, and then from 2018-19 we've had 32, 33, 29, 29, 26, and in 2023-24, 54 complaints in the code of conduct system. We've already had seven to 11 September in this financial year.

**CHAIR** - They were the ones that were dismissed?

**Mr STREET** - No, that's the total number of complaints. It is exponentially going up. What you find, if you actually look at it, is that once a council starts with one or two complaints against one another, they have a multiplier effect. You have councils where there's been no code of conduct complaints for five years, and one council where there's been 20 in a given year because they just ping backwards and forwards between one another. Like I said, people are weaponising the system.

**Mr VINCENT** - Exactly. I was about to raise the same point about weaponising, and that weaponising can be between councillors themselves, or can come from community members as a way of controlling councillors and even, in many cases, manipulating votes or trying to manipulate votes. Certainly a lot of work needs to be done in that area. Once again, it's that resourcing to keep on top of that.

**CHAIR** - Before we go on to another area: are there any other legislative priorities? You talked about that one, and you said you had some others. Do you expect to bring that in early next year? Is that the plan?

**Mr VINCENT** - Certainly the code of conduct piece of work we'd like to bring in early next year. The legislative work around accountability for councils and the data that they provide - I'm not sure whether Mike -

**Mr MOGRIDGE** - That would be tranche two that we'd certainly be looking to implement before the next local government elections, and that would be firming up the role of local government, firming up the strategic and reporting framework regarding the sorts of statutory plans and documentation that supports how councils would deliver on that role, but also looking at the data that this office collects through the CDC to make sure that it's fit for purpose and that it's not unduly burdensome in relation to councils and what they're providing. It needs to be something that we can meaningfully use to inform how we're supporting councils with issues like sustainability or some of the service-level offerings that they provide to their communities, and so on and so forth.

**CHAIR** - Clearly, the capacity of the King Island Council is very different from the capacity of the Hobart City Council or Launceston City Council. I'm sure you're aware of that, minister, and it will be taken into consideration, because it will be by me when legislation appears.

**Mr STREET** - I am aware of that. It will absolutely be taken into account. Like I said, and as Kerry pointed out at the start, there are a lot of councils that struggle to resource the work that's being required of them. We understand that, and we will take it into account. It will certainly be part of the conversation around how we do this.

**CHAIR** - It's obviously part of the review.

**Mr STREET** - Like Mike said, we don't want this to be overly burdensome. We want this to be of benefit to the councils and also to the municipal ratepayers in being able to see how their rate money is being spent. Even if it's something as simple as requiring councils on their rates notices to put a breakdown of how their rate money is expended. I know the Kingborough Council already do that -

**Ms THOMAS** - Glenorchy does that.

**Mr STREET** - Glenorchy does that, so that you can see that -

**CHAIR** - A lot of them put out a flyer with it.

**Mr VINCENT** - The next point is working with LGAT. You've mentioned LGAT several times, and I probably have to be a little bit careful here. I am a big supporter of what

Dion and his team do there. We've been talking about resourcing in this Budget and future budgets towards working with local government better, but I think local government have to take responsibility for resourcing LGAT probably a little bit better, as well as the interconnection of the transfer of some of the responsibilities.

We talked about shared services, and I appreciate LGAT is a policy-driven organisation, but there is a lot of avenue there for discussion on many points that would bring around a smoother transition between local and state government. Things like - and you'll probably touch on some of these when I ask you, too - GM recruitment, even training for councillors. GMC doesn't internally seem to be working as well as it should, and this is the difficulty with 29 councils, but even the way things are communicated back to the local government doesn't always work properly. I know you are working on training.

**Mr STREET** - In terms of professional development for existing elected representatives, LGAT is very keen to drive that work. I know that they had a budget that I'm not sure was funded at this stage. There's a balance to be had in terms of this professional development framework that LGAT wants to develop. I agree that they need some funding to help get it off the ground and to establish it, but I also think that the local government sector itself needs to fund its own professional development through the councils. I understand the state government has a leadership role to play in the local government sector, but we are constantly told that it's an independent sphere of government and that they don't want a top-down approach from the state government. That needs to go both ways. If they see a need to improve professional development for councillors, then councils need to invest in that as well.

**Mr VINCENT** - Yes, it needs to be done as a whole, as an industry. This is one of the difficult things with 29 councils and such a diversity of councillors. It is the largest strength, but it is also the largest weakness of local government. That is no different to the GM recruitment programs and a lot of other things like that - sometimes you need that bit of direction to come through. I would much prefer to see it come through LGAT than the minister's office.

**Mr STREET** - I have had some pushback talking about professional development across the state. Some councils have been very keen. Others have said, 'I am elected; I will do what I want. The people put me here'. It is not about trying to tell elected members how to do their job, it is about trying to assist them to do their job.

When we have people who are being elected to local government resigning after six weeks of being elected for the first time because the job is not what they thought it was and they realised that, or they think within themselves that they are not capable of doing the job because it is not what they expected, I think that there's a role for professional development and also for some form of assistance for people who are nominating for the first time for local government as well.

**CHAIR** - You could say the same for any elected member - like of parliament.

**Mr STREET** - Yes, absolutely. My first meeting in parliament was with Michael Tate in terms of processes and procedures and what have you, but that was six weeks after I'd been elected. So yes, you can absolutely make the argument. Let me tell you, members of local government, when I talk about this with them, are very quick -



**CHAIR** - To point the finger back.

**Mr STREET** - To point the finger back and say, 'What professional development did you go through or what training did you go through before you went and sat in the House for the first time?'

**CHAIR** - It's a fair question.

**Mr STREET** - Yes. My chief of staff has just put in front of me that 30 June data shows 67 per cent of councillors have voluntarily taken the opportunity to learn through the framework's online learning modules to increase their capabilities, and this number continues to increase.

**CHAIR** - 67 per cent is it?

**Mr STREET** - Yes, so that is pretty good.

**Ms THOMAS** - Of elected members?

**Mr STREET** - Of elected members. They have taken in some form at least one module of the online training. It needs to be wider than just online as well though, it needs to be delivered face to face. There is a number of people who have done some of the modules and have then had Matt or Mike come out and do a one-hour discussion with them. They said that the one-hour discussion was worth 15 of the online modules in terms of the education process and increasing their knowledge base. We have some work to do with LGAT on framing up what that framework looks like going forward.

**Ms THOMAS** - And how it is funded.

**Mr STREET** - Yes.

**Ms THOMAS** - Is your view that local government needs to contribute more perhaps through its membership fees of LGAT, then?

**Mr STREET** - Potentially. I think that the local government sector needs to take some ownership. The reason that lifting standards of professionalism, conduct and integrity across the sector is the priority one of the state government in terms of legislative work going forward next year is because that is what the sector and LGAT and the review said should be the first priority. The sector themselves identified that this is a priority, so yes, I think that they need to invest in it as well.

**Mr VINCENT** - You mentioned in your opening statement about the sustainability of councils, and a lot of that is financially based. It raised the issue that quite a few years ago, we were asked as councillors, and I still say 'we', so I apologise for that.

**Mr STREET** - That's alright. It's hard to lose the hat after so many years, but we know where you come from.

**Mr VINCENT** - That's exactly right. We had to put the audit panels in place, which took a couple of years to get it fairly right and the right mix of people on it. Most of the audit

committees that I have seen have some very talented people reviewing each of the councils issues and working through it. And a lot of that's straightforward, but there is also, as I've raised with you before, a major issue of council still controlling their asset management base to end up with the bottom line that's acceptable to their ratepayers instead of being honest about their true position of replacing their assets.

I'd certainly like to understand if that's something that would be tightened up with a new auditor-general in place or what your thoughts are on that about making sure there's a standard so we are comparing apples.

**Mr STREET** - The line that I used at the start is that we need to be comparing apples with apples. The biggest frustration of councils who are correctly depreciating their assets and doing everything else by the book is when they see the Auditor-General's report comes out with the graph that shows that they're underperforming or that they're just not quite hitting the mark and they see a council represented as doing particularly well when people within the sector know that there's a reason that their performance looks like that. I think that's as delicate as I can be.

**Mr VINCENT** - Yes, I'm not sure whether I'm wanting to be too delicate. I'd much rather see it fixed and operating from a line of honesty than a line of smoke and mirrors that we're experiencing over the last 15 years.

**Mr STREET** - Look, we are making it. I know that a lot of councils now have an internal audit panel. We're making that compulsory as well.

**Mr MOGRIDGE** - That's exactly right. Just making an amendment so that there is an internal audit function as part of the audit panel component so there is that independent integrity and how some of that information is being fed to the elected representatives.

On some of your other points, I think you mentioned the Auditor-General. We have had discussions with the Auditor-General around standard useful lives and going exactly to your point in relation to depreciation and exploring how we can implement in relation to major assets some standard useful lives for those assets so there's some consistency in how they're being treated from an accounting perspective.

The other component that the minister mentioned earlier is data and making sure, when we are requesting data from councils, it's fit for purpose and it gives us and the community transparency around how those assets are being managed.

**Mr STREET** - I've got to say as well, while I was a member of Kingborough Council, I was the elected member on the internal audit panel. It's all very well set up, the internal audit panel, but they're only as good as the information that's fed into them.

It's not enough just to have the internal audit panel. You've actually got to make sure that the integrity of the data that's being given to that panel of external experts has integrity.

**Ms THOMAS** - I was just going to say that requires administrative resources, so, it's all well and good to say that it's going to be required of councils - another thing that state government is requiring councils to do, with good reason. But, particularly for smaller councils, that comes at an administrative cost - so, how will they be supported to do that?

**Mr MOGRIDGE** - In relation to data collection?

**Ms THOMAS** - Well, data and even delivering an audit committee, you know, there's an administration around that.

**Mr MOGRIDGE** - Yes, audit panels cost money. I think audit panels are a statutory requirement at this stage and, without presuming to know at this stage what the legislation would look like, when prescribing an internal audit function we would need to be mindful about the different designs of councils across Tasmania. There does need to be some discretion in relation to councils' funding and how they can dispose money to those sorts of processes.

**Mr STREET** - I don't think we're planning on a one-size-fits-all audit panel, and I think -

**CHAIR** - Is there an area that perhaps could be a more user-shared service, because rather than King Island and West Coast and Flinders Island and every other one had to have their own, surely that -

**Mr HEALEY** - I think there are some good and emerging practices around sharing resources of people who are supporting multiple audit panels, so, that's absolutely right. We need to find ways for smaller councils to be able to share capability.

**CHAIR** - If you want consistent data going to the Auditor-General, for example, then you've really got to make that possible.

**Mr VINCENT** - Councils did try to set up a lot of panels that could do several small councils to start with, but that was stopped at the time and each council had to have their separate panel. Over time, though, some of the good members started to sit on several different audit panels. So, you start to get a transfer of knowledge. I won't say data because of confidentiality, but there was knowledge on some of those joint auditors that did work, or has worked, very well.

The reason I've always been tight on trying to get those asset audits right is because every time new government or councils or the public talk about horrible words of mergers and amalgamations but much prefer to refer to them now as boundary adjustments, is you're not comparing apples with apples.

Everybody thinks their dunghill is the proudest thing in their life, and that's fine, that's good, that's why we have local government, but most councillors don't understand that their asset base is falling down around them, and we're seeing that more and more in the news each year.

**CHAIR** - Not just councils.

**Mr VINCENT** - Not just councils, it's all levels of responsibility, and business. Most businesses don't take it into account. They take their depreciation as a bit of profit, not as something they've got to put back into their business. But with councils you can't honestly have a conversation about reform, boundary adjustments or sustainability of regional areas and common sense towards that unless you really know what your ratepayers are paying for in either good or bad management of assets.

Once you get that bit right, then you can work on the community and your emotional side of communities, but, unless you've got that asset base right, you can't. That's why I think it's very important and I don't want to get into a boundary adjustment.

I won't ask about where you're heading with that - the mergers - because you've already been there, but I'd like to think there is the possibility of more discussion on asset bases before we start going out with emotional arguments to the ratepayers?

**Mr STREET** - Yes. But we're also keen to put in place a pathway to facilitate amalgamations that are led by the council and their communities as well. We're keen to do that because we've had enough interest expressed by councils across the state who at least want to investigate the possibility.

The prevalent view might have been that all 29 councils were happy being 29 councils. It's become apparent, particularly in certain areas of the state, that the councils have started talking to one another independent of the state government.

We made a commitment last July that there'd be no forced amalgamations and, quite frankly, that fits with the sector's view to the state government that they're not interested in a top-down relationship where we dictate to them the way things are going to go. But we think that there is a way to facilitate the conversation that could lead to better outcomes for the local government sector across the state.

**Mr VINCENT** - Final question. Do you still think the 250 allocated will be enough to assist?

**Mr STREET** - No, not at all. I'll pass to Mike to talk about the process that we would like to see put in place, that we've talked to LGAT and LGPRO about informally and that I talked about informally at the LGAT conference as well.

**Mr MOGRIDGE** - The salient point is it's enough to start the work in relation to structural reform. By that I mean, I think the minister mapped out at the LGAT conference that we're proposing to roll out a three-phased approach in relation to supporting councils with conversations they'd like to have with their neighbours concerning structural reform. Broadly speaking, the component of that money will be supporting the continuity of an officer, the director of local government reform, to continue within the Office of Local Government and support how councils in those regions will come together. Through that, just stepping out those three phases.

The first phase would be designing a reform proposal collectively with the support of the Office of Local Government. That would be exploring the different permutations of structural reform that might be being proposed within that area. I would look at the level of community engagement in the idea of structural reform, starting to plan and design the necessary technical analysis that needs to happen at the local government level.

Once we've gone through that process of designing a proposal, providing it to the Government. At that point in time, the Government would need to understand the nature of that proposal, and how it needs to be supported by the State. That would be a decision point for the State Government and that would be phase two. Pending provision of that support, then they

would go through that technical analysis process, making sure that they're taking their communities with them. That's a really critical component of this. As the minister said, and we heard loud and clear, local government knows their communities best. They are ideally placed to be leading this reform, with the support of us, the Office of Local Government. That would be stage two - the report and the technical analysis would be conducted.

In order to give effect to boundary adjustment, it would need to go through a local government board. In phase three, the minister would be proposing to stand up a local government board process that would have a very targeted terms of reference in looking at that report. The technical analysis that's been provided, the level of community engagement, and so on and so forth. Then providing a recommendation to the minister as to whether or not that proposal makes sense, for the purposes of the minister then recommending to the governors a boundary adjustment.

So, broad brushstrokes within this forum, but the three-phased approach is what will be supported by the Office of Local Government with some of that funding.

**Mr STREET** - Mike's description of the process is absolutely spot-on. I know it sounds overly bureaucratic and cumbersome, but we think it's the only way that we're going to achieve buy-in and outcomes.

I've heard the other approach, which was Jeff Kennett's approach in Victoria back in 1993, I believe, where general managers were called one Monday morning and told to be at another council to swear in an amalgamated council. I know of a gentleman, who told me this story, who pushed back and said, 'I'm not sure if I'm comfortable doing that.' The Premier's response to him was, 'I'm making 270 of these phone calls today. You're one of the lucky 90, but you can just as easily be one of the 170.'

For all the talk about 'oh, that's firm leadership', there were disastrous human consequences to that approach as well. Like I said, I know it sounds overly cumbersome, but like you said, Chair, it is the only way that we're going to get the community buy-in that's necessary to demonstrate the value of these amalgamations. You made the point before; the boundary adjustments alone won't lead to sustainable councils. We need firmed-up business cases that we can present to municipalities to say, 'This is why we believe this is of value to you as a rate payer, and to the municipality as a whole.'

We will have to fund some of the work to stand up these business cases as well. We understand that as a government, and that'll be my job, either at a Budget committee or Cabinet budget, whatever forum, to argue for this money for these proposals, to be able to take them and hire the people necessary to do the work.

**Mr VINCENT** - I welcome the contribution. Thank you.

**Ms THOMAS** - Trying to process this in my head. Succinctly, in plain English terms, the three steps that you just explained did sound like a lot. Step one?

**Mr STREET** - Step one: councils come to the Office of Local Government and say, 'Look, we're thinking -'

**Ms THOMAS** - Express interest in working together.

**Mr STREET** - 'We think that there's a possibility that this could work.' Office of Local Government works with them -

**Mr MOGRIDGE** - To support the design of that proposal. That's a reform proposal that's prepared, to make sure that when they come to the government, there's absolute clarity in relation -

**Ms THOMAS** - Step two is preparing the reform proposal.

**Mr MOGRIDGE** - Yes, step two is analysis and preparation of the report.

**Ms THOMAS** - Yes, of the report, which would include full financial analysis and all that stuff that was missing from the however-many millions that were spent on the Local Government Review process. I know I had expectations it would deliver more in terms of actual economic modelling and what could possibly be achieved. Certainly, a lot of hours and time and thought was put in by Local Government, and there was perception by some that was, for what? What was needed, if we were really having meaningful discussion about reform, was that next level. I know the university -

**CHAIR** - Understand what you're going to lose.

**Ms THOMAS** - Yes, and understand what could be gained. Show me the data and show me the modelling to demonstrate that this is a good idea. That was missing from all of that analysis.

**Mr STREET** - It's not as simple as merging two neighbouring councils.

**Ms THOMAS** - That's right.

**Mr STREET** - No. They are both on very different terms at the time that they come to the table for the merger, and that has to be considered as well.

**CHAIR** - We also shouldn't limit it, surely, to just two councils merging. It could be the redistribution of a boundary. When the Electoral Commission looks at our boundaries and I take up more of Montgomery next time, again, it's because it's a redistribution to make it work. Then we saw the massive change across the centre of the state. Not me. I just caused the problem from the outset.

**Ms THOMAS** - So, step one: councils come to the office, express interest in developing a proposal. Step two is developing the proposal - and who is going to pay for that?

**Mr MOGRIDGE** - At that point in time, the proposal's taken to the government and the government comes back with the support program it would like to provide.

**Ms THOMAS** - A proposal to develop a proposal?

**Mr MOGRIDGE** - A proposal to do the analysis. You develop the proposal in phase one. Then phase two is doing the analysis, the technical analysis, doing any necessary community engagement, with the support of the state government by way of funding.

**Mr STREET** - Basically, the Office of Local Government brings a proposal to us, and as a Cabinet, we make a decision on whether we think it's worth funding.

**Ms THOMAS** - So, the Office of Local Government develops that proposal.

**Mr STREET** - Very basically, Kentish and Latrobe, for all intents and purposes, are merged already. If they brought a proposal to us that they wanted to formalise that, as a state government we would be looking for more than just that. Do you know what I mean?

**Ms THOMAS** - Yes, absolutely.

**Mr STREET** - If we were going to put money on the table to advance it, we'd be looking for something more than just that.

**CHAIR** - It may be that you want to include parts of another municipality to make it work better.

**Mr STREET** - To make it work better. Exactly.

**Ms THOMAS** - That's fine, but who's going to - so, the Office of Local Government's going to do that piece of work, working with the two or three or however-many councils?

**Mr HEALEY** - Can I just go back to your previous comment about the broader report and the disappointment around the detailed financial analysis. The reason for that is that there are an infinite number of potential reform options that need to be identified to do exactly this work we're talking about. This is the process that says, 'Come to us and tell us exactly what you think the option is that you want to test, and then we'll work with you.'

The government will consider its ability to support doing the detailed financial analysis and the costs and benefits of that proposal, so that that can be put to a board. The board can pull that apart and say, 'Is that a good idea or is that a bad idea?' It's very specific, community-led, 'this is what we propose and this is the benefit of that proposal'. That can lead to a really robust, clear set of recommendations from government, and gets away from - you're right - the very frustrating situation where you're stuck talking in generalisations. That doesn't get you where you need to be.

**Ms THOMAS** - Yes. I don't disagree that that's the work that's required. My frustration is, why didn't we just do that in the first place?

**Mr HEALEY** - Because you have to come up with the proposals. This broader review was looking at the entire state and we could spend a decade looking at the thousand permutations of different reform options and waste a lot of money on assessing proposals that had no hope of getting up. This allows us to invest in those proposals that have got the most chance of success, because they've got community support and they've got clear terms, and they're well considered.

**Ms THOMAS** - Well, it's done now. We can't change that that money was spent on that. Anyway, I've got that off my chest. Let's move on.

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Funding for the Office of Local Government has been reduced from \$2.8 million in 2023-24 to \$2.38 million in 2024-25; \$2.37 million in 2025-26, and \$2.2 million in 2026-27. So, it's going down. I acknowledge efficiency dividends need to be achieved across government. We've heard that \$250,000 will be allocated just in this one year -

**Mr STREET** - And next year.

**Ms THOMAS** - And next year. So, two years.

**Mr STREET** - It was \$250,000 a year for two years. It was only one year, I beg your pardon.

**Ms THOMAS** - One year. That's not a lot to get around all of the councils that might be interested in working together. You're going to be very busy in the next 12 months with that \$250,000 to satisfy what you hope will be some level of demand from councils to engage in these conversations.

I hear what you're saying, minister. It will be your job to then put forward requests for additional funding for that more technical analysis that might be required to see reform achieved. Also, I assume, for funding ongoing for the Office of Local Government to be able to continue this work past one year, because I imagine it's going to take more than one year. Is that your intention?

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

**Ms THOMAS** - We've talked a lot about training, and a bit about behaviour of elected members. We know that training, in itself, won't improve behaviour. Codes of conduct and reform won't necessarily improve behaviour and, to some extent, there's always going to be psychological safety risks in the local government environment for both staff and elected members. We know that's something that's been identified as being really important in the sector. In fact, at the recent Local Government Association of Tasmania (LGAT) meeting in September, there was a resolution supported that the State Government, as a priority, introduce legislation that mandates the need to have workers' compensation insurance, or equivalent, available to councillors to support recent legislative changes regarding psychosocial safety. It also called for government to work with the insurance industry to introduce the insurance framework, as a priority. Were you aware of that resolution that was passed?

**Mr STREET** - I am aware of the resolution that was passed.

**Ms THOMAS** - Has the government yet formulated a response or position on that?

**Mr MOGRIDGE** - I don't think LGAT has put a position in relation to that just yet, but it goes to the point that work health and safety and psychosocial harm is an acute issue in the local government sector. I presume when LGAT does bring that to the table, it would be good to gain a real sense of the parameters of that problem.

**Mr HEALEY** - It's been an incredibly positive trend that councils and general managers and mayors are increasingly talking about workplace health and safety and psychological safety in the workplace. Some of that is driven by some pretty ordinary behaviour, but I think some of it is also driven by an increasing awareness of the harm that can be caused to people in these



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processes. The trajectory in terms of understanding what needs to be done to protect the health and wellbeing of both elected and non-elected officials is really positive. I suspect we'll continue in all of the reforms that we have on foot.

**Mr STREET** - One of the legislative reforms of the *Local Government Act* that I've recently announced will be to clarify the respective obligations, duties, powers of council, the mayor, other elected members and senior council staff under our work health and safety legislation as well.

**Ms THOMAS** - Thank you. In terms of one of the other things that came out of the local government review, that clarity of roles - state government, local government, even federal government, and the whole concept of cost shifting was identified as quite a big issue. The government some time ago talked about partnership agreements and I know there's been a couple, I think east coast-west coast.

What's happening with other partnership agreements and is that the vehicle to be establishing? I know the review talked about a charter and that was going to be quite a broad brush, though. Those partnership agreements - in terms of what roles and responsibilities are on the ground and including responsibility for funding different initiatives - is the partnership agreement the vehicle for that do you think?

**Mr STREET** - It's one vehicle for it, but I think that it needs to be an ongoing conversation as well. The single biggest complaint I get when I visit councils across the state is that they are the provider of last resort. When I'm talking to them, the state government can complain about the federal government's role in primary health provision and the fact that it's been cost-shifted onto states, but the state government has to accept that we do it to local government as well.

**Ms THOMAS** - That's right, thank you.

**Mr STREET** - There needs to be - as Kerry was saying before - as the level of government closest to the people, local government is the easiest one to complain to. When something as simple as a nature strip on a state road isn't maintained properly, the first people that get called up aren't State Growth, the local council gets called and if it's not rectified, it's the local council that's pilloried as well.

That's a very basic example, but I know that there are several councils across the state who are providing GP services at the minute simply because it's the only way that they can maintain those services and that's patently unacceptable and it needs to be part of the conversation.

**Ms THOMAS** - Those partnership agreements are one vehicle but you see that there are other ways?

**Mr STREET** - They're one vehicle, but I don't think they're the only vehicle to be having those conversations.

**Ms THOMAS** - Do you think there could be capacity within a government agency for there to be a centralised role for funding to local government on different initiatives? Because one of the things identified when I was mayor was that we had funding from about five or six

different agencies for different initiatives. You've got acquittal requirements and reporting requirements to all these different agencies and this agency doesn't know that that agency's given you funding. Some of the things are top-downs so state government said, for example, 'can you deliver the jobs hub?', 'can you deliver the 26TEN program'? They're things that are tacked on to what councils do.

In some ways it could be identified as cost shifting. Another way to look at it though is that local government is best placed to provide those programs and services to the community.

**Mr STREET** - And the other complaint I get is 'we don't mind delivering services for the state government as long as the funding that's commensurate with the service that we're being asked to deliver comes with it as well'.

**Ms THOMAS** - Yes, and also as long as local government has the opportunity to say to the state government, 'we're happy to do this, however, we've also identified this gap in our community that we really need funding for'. Often that's the more difficult part of those conversations. For example, we needed funding to support a youth program in Glenorchy and I was continually banging on the government's door saying 'we really need money for this'.

**Mr STREET** - And multiple ministers' doors as well.

**Ms THOMAS** - Multiple ministers' doors. 'We're delivering these programs, but what we'd prefer funding for are these things'. Do you know what I mean? There's not that two-way conversation about what the priorities for your community are, and how can we work together to jointly fund them.

**Mr STREET** - I don't have a solution for you at the table tonight, but I understand where you're coming from and there probably needs to be a more efficient way of having those conversations and discussing those funding priorities. Then there's having to go to nine different ministers for nine different priorities in the municipality as well.

**Ms THOMAS** - Finally, will any reform going forward, and changes to the Local Government Act, consider legislating a requirement for superannuation for elected members?

**Mr STREET** - We've committed to a review of councillor allowances, I think.

**Mr HEALEY** - We do have regular reviews of council allowances, and to be honest, I'm not aware of any active consideration of provision of superannuation for elected members. I don't think that's currently on the table.

**Mr STREET** - No.

**Ms THOMAS** - It's pretty prohibitive, particularly for mayors who do roles full-time.

**Mr STREET** - That is the problem, differentiating between those. I accept that with the mayors of the larger councils who are doing it as a full-time job, the fact that there's no superannuation that goes with it is detrimental. But if you pay it to mayors, do you pay it to deputy mayors and councillors as well? I don't know.

**Ms THOMAS** - Elected members at other levels of government receive superannuation benefits. Also, a lot of elected members of boards receive superannuation benefits, of companies, things like that. They're not full-time positions, I think it's something that needs serious consideration if we are to attract people who have skills and experience to local government. They may choose to spend their time on other boards instead, so I think it is something that is really important to getting good people around the table in the local government sector.

**Mr STREET** - Can we take that one on board as an ongoing issue?

**Ms THOMAS** - Yes. Thank you.

**CHAIR** - You said in your opening statement, I think, that you were soon to release your full response. Do you have a time line for that? Will it be before the end of the year?

**Mr STREET** - Absolutely before the end of the year.

**CHAIR** - It won't be Christmas Eve?

**Mr STREET** - No, no, no. I would like to think we'll have a comprehensive response to the 29 recommendations out, I'll say, within a month.

**CHAIR** - The reason I ask for a time line is that it'd be helpful for an opportunity to look at it while parliament is still sitting, acknowledging we've got a fairly compressed schedule.

**Mr STREET** - I don't know what the Legislative Council's schedule is like, but we've got the last two weeks of November.

**CHAIR** - We sit together.

**Mr STREET** - Right.

**CHAIR** - If there's anyone sitting longer than the other, it would be us. The media always forget that fact.

**Mr STREET** - We will have the response out before the end of the parliamentary year for parliamentarians to review, and our response will be sent not just to mayors and GMs, but to all members of state parliament as well.

**CHAIR** - Thanks, minister. We'll wrap this portfolio up and we'll go to Sports and Events in just a few moments.

**The Committee suspended from 6.08 p.m. to 6.15 p.m.**

## **Output Group 5 - Culture and Tourism Development**

### **5.4 Events**

**CHAIR** - Thanks for not running away, minister. I invite you to introduce the people at the table.

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**Mr STREET** - On my right is Craig Limkin, secretary of the Department of State Growth, on my left is my chief of staff, Tim Lovibond, and to his left is James Avery, the CEO of Stadiums Tasmania.

Chair, I would like to start by saying I'm proud to be Minister for Sport and Events. I am pleased to be able to talk today about a budget that includes significant initiatives to boost participation in sport and active recreation, our strong support for the event sector as well as commitments that represent strong investment in infrastructure across the state.

This government has a clearly stated aim to get as many Tasmanians as possible involved in their choice of sport and active recreation pursuit. We want sport and active recreation to be accessible and inclusive, and we want the facilities and supports to be in place to ensure that, whatever your age or wherever you live, that you have the chance to get out there and be active doing something you enjoy. We know what a vital role sport and active recreation has in preventative health. The sense of camaraderie, friendship and release that can come from being involved in sport can make a world of difference to many people. It is for these reasons that this government made a decision at the election to back our sports clubs so that they can continue building participation across the age groups.

I am pleased to say that this Budget contains \$86.5 million over the forward Estimates to support active initiatives, sporting organisations and community sporting infrastructure across the state, projects that help Tasmanians feel part of something bigger than themselves,.

The same can be said for events right around our state. The Tasmanian government has always been a strong supporter of the event sector, providing funding to attract, retain and grow events that drive our economic growth, tourism and jobs in every corner of our state. Events are fundamental to our visitor economy, both creating the reason many people visit and ensuring that they also have fantastic experiences that make them return time and time again.

Our government is aware of the importance of stimulating our regional economies through events, particularly during the winter shoulder season. In line with the Tasmanian government event strategy of 2023-27, we aim to grow visitor numbers through a regionally and seasonally balanced events calendar, resulting in social, economic and brand value. This Budget delivers \$68 million to events over the next four years to support their ongoing success. We have also made a provision to support new event opportunities, with \$5 million over this year and next year, as announced during the election.

Importantly, we are investing in the enabling infrastructure to bring our events sector to life. That includes the redevelopment of Macquarie Point and the construction of our fantastic stadium. I am proud of this development and excited by it. I am pleased that we provide the sport and events sectors with the support we do as a government. I am now keen to take questions.

**CHAIR** - To start off looking in more broad terms, I note there is a drop-off over the forward Estimates in Events. The footnote suggests that is related to events profiling. In order to help understand that, are you able to provide a list of events that have been - I assume it is a timing thing.

**Mr STREET** - It is.

**CHAIR** - You have the table there.

**Mr STREET** - I might call Kate from Events Tas to the table, but also go to Craig.

**Mr LIMKIN** - Thank you, minister.

**CHAIR** - We usually introduce -

**Mr STREET** - Beg your pardon. Kate Mirowski, director of Events Tasmania. There is always a tale with events funding, but I will leave it to Craig.

**Mr LIMKIN** - As the minister said, events funding is complex because they are normally multi-year events, and in some cases they are paid on calendar year or profiled on calendar year, while the budget and reporting periods are set to financial years. The majority of the Events Tas portfolio consists of events that are contracted over multiple years, items such as Beaker Street, Festival of Voices, Dark Mofo. But some are contracted bi-annually and some are contracted annually. That event profile changes, depending on the processes we get, the requests we get then and also the individual grant structures. Grant instalments are generally structured on the basis of some funding for pre-planning, a progress payment for particular events at a time and then post-event payments to make sure the state gets the outcome from the events we want. For multi-year grants, we can have up to 20 different phases or payments, or milestones, to make sure that the state gets the outcome of the events that we want. For multi-year grants we can have up to 20 different phases or payments or milestones to make sure that we are seeing benefit out of this. In line with the Department of State Growth framework and the Treasurer's instructions, we also take internal risk assessment of part of the process to make sure we are dealing with those [inaudible] appropriately, and Events Tasmania considers various things to the Major Events committee.

In relation to your specific question about profiling, the Budget does provide \$26 million, \$26.5, \$19.9, and \$16 million over the forward Estimates. They are events that we are aware or have coming, or that we're in negotiations with people at the moment. In some cases we have yet to actually receive a detailed proposal from those events. The government has made budget allocations based on estimates that we've provided - until we actually get some of those detailed proposals and they go through our Major Events group - if they form part of that - we are unable to provide the committee with an actual payment profile. Let me give you a real example. Dark Mofo has been received at the moment. We've received an application from them. The Events team are going through and assessing the application at the moment. That will then go to the Major Events group for further assessment and advice. Ultimately, I, as Secretary of State Growth, will consider that and then provide a recommendation going forward. At this stage I can't give that information, I'm sorry, Madam Chair, because we don't have any receipt of that. It is based on an estimate where we think events will happen over time.

**CHAIR** - So, we can, rest assured then in 2027-28, spend more than \$5 million supporting events in the state.

**Mr LIMKIN** - One of the government's commitments in their next 100 Day Plan has been for Events Tasmania to look at what is a sustainable events funding and what is a new model for funding going forward. The Department of State Growth has received that request from the minister and Events Tasmania has commenced that work. We will work through that,

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or Kate and her team, I should say, will work through that over coming months for consideration by government in the future. That will hopefully then provide a pathway forward while maintaining the state's commercial ability at the same time. It's a balance between being transparent and making sure that we get the best value for money for the state.

**Mr STREET** - And that's the most important point.

**CHAIR** - Have you got a list of all the events that were funded in the last financial year?

**Ms MIROWSKI** - We can definitely provide that at a later date.

**CHAIR** - That would be good if you could do that, including the amounts they were provided with.

**Mr LIMKIN** - We're happy to do that, minister. We'll just look at what we can provide publicly through that process and what we can provide through you, the committee in confidence if necessary, depending on where we're at. We'll just need to take and do that assessment.

**CHAIR** - Minister, you mentioned in your opening comments and also the Secretary's further comments around outcomes expected by the government. Is there a standard or a consistent outcomes measure?

**Mr STREET** - No, there's not. The event strategy had three pillars to it - I should know them off the top of my head by now - economic, social and brand. The reason that we put those three pillars in is because to get the balance of events right across the state, you need to consider more than just the economic return and visitation, or else we might just fund AFL football games.

**CHAIR** - We may not.

**Mr STREET** - We would potentially narrow our focus and what we want is a broad range of events. That's why they get assessed across those three criteria as well, to give Events Tasmania the flexibility that it needs to consider a number of aspects of a proposal and whether we fund it or not.

**Mr LIMKIN** - I may just talk a little bit more in detail about what the Major Events group looks at, particularly the [inaudible] in their various hands. This is on our website, but I think it's really important for the committee because you've asked about outcomes.

There are four different criteria that break off those three pillars. The ability to attract people to Tasmania and what we look at there, or what the group looks at, is the number of visitors attracted to Tasmania by the event, the length of time that these visitors stay in Tasmania, and the time of the year that those visitors will be in Tasmania. Obviously, the focus of the government - and our tourism sector and hospitality sector - is looking at that winter and shoulder period as a priority.

**CHAIR** - Did that count people of Hobart finding their way out of the city up to the north-west or north?

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**Mr LIMKIN** - We do actually have a different criteria that looks at the ability to move people around Tasmania, which is about the location of the event. I will talk about the wonderful Unconformity event that moves people out to our West Coast, that I know -

**CHAIR** - Declaration on the board, yes.

**Mr LIMKIN** - I know you're very passionate about it.

**Mr STREET** - I noticed they announced their new artistic director today, as well.

**CHAIR** - I wasn't told it was announced, but I knew it was coming.

**Mr STREET** - It was on social media.

**CHAIR** - Yes. I knew it was coming, I just didn't know if it was out yet. I haven't had a chance to check my socials today.

**Mr LIMKIN** - I got notified yesterday.

The event's capacity to prompt Tasmanian residents to travel around the state, the capacity to prompt tourism to move around the state - the times of years again.

The other one is the ability to get people talking about Tasmania, so the amount and the extent of the effective destination promotion delivered by the event, because it is about brand as well, and brand awareness, to complement our Tourism Tas work. People come here, first of all -

**CHAIR** - Unconformity was mentioned in *The New York Times*. Did you know that? That's a pretty good reach.

**Mr LIMKIN** - Yes, I did know that. Yes.

The amount, the promotion, the [inaudible] in size, the active market, the quality of the event's social - it's really important. People come down for an event first and then stay for a longer period of time, and we see more and more people come back every time for events and then stay.

The last one is the ability to deliver a high quality and effective event. The track record of the organisers, the financials of the organisers, the ability to track people, the relevant research, and also the competency of the organisations as well. We have to make sure that when we provide funds to these events, that they are going to be able to demonstrate and deliver the event as well. It's not just someone who's set up last week.

So, it is those four things that really drive down to look at those outcomes. As I said, the Major Events team really do those assessments on everyone.

**Mr STREET** - AFL football is a bad example to give, as well. If we were just going to fund on visitor return for spend, we'd fund underage kids' sporting championships.

**CHAIR** - Yes, correct.

**Mr LIMKIN** - I will say, we do get unicorn events where we get all of these ticked off in the one thing, and it's really great to see those type of things happen.

**CHAIR** - In terms of the 'social' pillar, how do you measure that?

**Mr STREET** - It says: 'social' refers to support events that contribute to our environment, wellbeing and connectedness, and incorporate into their offering a genuine recognition of our island and its people. So, an ability for an event to demonstrate its 'Tasmanianness' and its uniqueness to Tasmania.

**CHAIR** - One thing I'd suggest that is perhaps not adequately considered in this - and this is not just for events, it's for other arts - some are events, some aren't. If you look at screen, for example - which is not your area, I know it's another minister - but let us look at screen from Bay of Fires. It spends a lot of money on the west coast. It gives people on the west coast employment who may have never had employment and who continue to work when they leave. That's a massive social benefit. Unconformity is a bit the same - mostly that's volunteers at the time, but it gives people skills and things like that. That doesn't seem to be picked up in your pillar of 'social'. It may be a bit of an economic impact there, as well - well, there is - but it doesn't seem to be captured to a degree I think it probably should be. So, is that considered? If it's not, will it be?

**Mr LIMKIN** - Through you, minister: if you're comfortable, I'm actually happy to table that for the committee. It's on the website, but I'm happy to table the Tasmanian Government Events Strategy to really help look at that.

One of the areas in economics is about growing regional skills and capacity. We do look at how we maximise the return for those regions, how we create businesses. I have a map - and unfortunately I don't have it here today - but a map from all the businesses that Dark Mofo has actually generated from over the years - it's about 20 to 25, but don't quote me - new businesses that have been set up, new skills that have been developed. It definitely is something that we look at, but it's more in the economic area. The social areas also look at the balance of events across genuine steps to a sustainability in our environment. One of our great things and our brand is sustainability and the value of that. It's not just plastic cups, are they using proper recycling cups? We do focus on that too.

**CHAIR** - You don't put those ones in your dishwasher though. I did that once.

**Ms LOVELL** - I want to go back to the funding line item to clarify something. I appreciate that you said before that the funding allocated across the forwards is really Estimates, and that may change depending on what happens with events. This is the budget that's been allocated. Is that the envelope that you're working within or aiming to work within, or do you expect and hope that you'll spend more than that? Where does that cut? Does that mean there needs to be a request for additional funding? How does that process work?

**Mr STREET** - Generally, it means a request for additional funding for the first year of a new event or a new event contract. From then on, the rest of it goes into the future budget forward Estimates.



**Mr LIMKIN** - I don't want to disclose it, but there is an amount that is currently unallocated that provides the government with some flexibility. There is the ability for the minister to go, once we assess it, it's something we haven't done before. It's a good idea, it meets the outcomes of what we're trying to do. Do you want to fund it? If not, then the minister has to make a choice whether the budget can be - there is an amount going forward.

**Ms LOVELL** - Specifically for events?

**Mr LIMKIN** - Yes. In addition, in that item, the government made a \$5 million commitment. That's funded over two years: \$ 2.5 million this financial year, \$2.5 next financial year, to attract new events. That is there as well.

**Ms LOVELL** - I'm thinking more about what can we do on top. If what's in the Budget here across the forward Estimates is all the amount that we end up spending on events, then obviously that's a massive cut. Nobody wants to see that. We've talked about the importance of events to the economy. It's more about understanding that process and likelihood of whether there would be additional funds at some point.

**Mr STREET** - I understand your question. It's the way that event's funding has always been handled. Like I said before, and like Craig was saying, to protect the state's position in terms of negotiating contracts as well. If the money was sitting there as a pot and everybody knows, then they know exactly how much that they can bid for, instead of being realistic and putting in competitive bids as well.

**CHAIR** - We talked about the economic impact. Do you - and I'm pretty sure you do - get a return on investment in dollar terms? For example, you put so much money into an event, whatever that event is and I would expect that the event organisers have to report back. Is there a benchmark for that? What's the expectation there?

**Mr STREET** - There are reporting frameworks for events.

**Mr LIMKIN** - There are reporting and there are ROIs calculated on each one. What I will do is read in the 2023-24 as an example. I won't read them all in, but I'll give out some examples. The Hobart Airport Marathon: we provided \$130,000, it was a contractual amount. The ROI was 8 to 1. The IRONMAN 7.3 Tasmania, the contract amount was \$1.25 million. It was 5 to 1. The Tasmanian Chamber Music Festival had \$200,000, 2 to 1. The Tasmanian Wine Festival, \$400,000, 4 to 1.

There is a predefined methodology, is my understanding, that we do. It's calculated by multiplying the length of stays by visitor numbers and by the estimated spend per day. The number is then divided by the investment in the grant. That's how we do it.

**CHAIR** - A small festival outside of the main population centres, which may have limited accommodation, for example, do you apply the same expectation to those organisations?

**Mr LIMKIN** - I will talk in general. The research shows that events done in a regional area return a bigger economic value. Depending on which research or study you look at, it's 6 to 1, 5 to 1 depending on which research or study you look at, for every dollar spent in a regional area, it actually equates to \$5 or \$6 spent in an urban area, depending on what study

you look at. The value to communities is both on a length to stay, the spend, but also the community and social gathering and connections. Those really important things are valued that way. We take into account the regional disbursement in different calculations.

**CHAIR** - Do you measure the return on investment in social benefit measures?

**Mr LIMKIN** - I don't think we do. It's definitely something we can look at as part of this review. It's not just about how we get a profile on funding going forward. It's about how we actually continue to measure the outcomes for the state. I'm really happy to have a look at that as part of our review and see whether we can do it without putting too much pressure on the team. They do an amazing amount of work.

**CHAIR** - Sometimes when it's pretty competitive and there's a defined bucket of money - it's like in the arts generally, the poor cousin of so much of this. There is a massive social benefit, and health and wellbeing benefit of engaging with the arts.

**Mr STREET** - We are trying to balance that with the Events portfolio. We really are.

**CHAIR** - Yes.

**Mr LIMKIN** - For the members' interest, in 2012 or 2011, one of the two, Commonwealth Treasury looked at a new way of actually calculating benefit-cost ratios by using a willingness to pay. A willingness to pay removes the economics from it. Okay, the time saved in a true movement - to really looking at what the value of that event is to community and social. It's done by asking people what are the choices they would like to trade off. In a museum, do you want a gallery or do you want a planetarium? Do you want art or do you want objects? Weighting is set on that based on consumer choice. Then there is a BCR calculator off that. A lot of [inaudible], it's still very early on in the piece, but it is a really interesting way on trying to balance that economic and social connection to the community, when you're calculating BCRs.

**CHAIR** - There's the social benefit to a community. It's not just about the people who engage with the event. It's about the local community that it's in. It's about the people who interact with that community as a result of things that have happened with an event. All around a lot of our coasts, like Stanley have their things, down the east coast, they have their festivals and events and that sort of stuff. They're often in quite small communities. People benefit in the community. Some people don't benefit in the community, I might add too, but that's a different challenge. Is that captured in your data? How many people get employment and then maintain employment?

**Ms MIROWSKI** - It's something that the assessors definitely look at, especially from that supply chain perspective, and looking at the engagement. If we look at it from a small business perspective, how many small businesses are engaging with that event or festival? We look at that and as following on from what the Secretary said, we are also looking at ways to measure that. It's quite a subjective measurement. It is about how we actually get an accurate way of measuring that. The benefit to one community will be different to another community. Setting a standardised process is quite challenging, but it is definitely something that we are looking at.

**CHAIR** - I understand the challenges with it, but if you don't measure it, it has no value.

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**Ms MIROWSKI** - It's definitely something that assessors look at. But again, there is no actual number or value as yet that we attribute to that at this point in time.

**CHAIR** - I'd like to go onto the Mac Point stadium. I don't know if you want to bring anyone else to the table?

**Mr STREET** - We'll bring the CEO of the Mac Point Corporation to the table.

**CHAIR** - Minister, regarding the cost estimates for the Macquarie Point multipurpose stadium, now that there's been a rather large document provided to the Tasmanian Planning Commission, can you give us a really clear outline of what costs are included in that that make up the limit of \$375 million that the government has committed to?

**Mr STREET** - The government has committed \$375 million to the stadium build. What sits outside of that are elements of the precinct plan that aren't specific to the stadium.

**CHAIR** - Can you give us a list of those?

**Mr LIMKIN** - Those are listed in the Project of State Significance (POSS) documents that are publicly available, minister, in the CBA analysis, but we can give you the details as well.

**CHAIR** - I am sure Anne is all over it.

**Ms BEACH** - What the Budget does include is the actual build itself, including any on-costs in that. That includes trade costs; builder costs; design contingency; consultancy fees, including those to develop the POSS document up to this point; resourcing the whole kit and caboodle is included in that project cost, so this is the full cost of the project.

There are a few elements, as you noted, Chair, that we're still working through in the design. Some of those relate to the broader precinct development. There are elements that are specific to how we manage the site and prepare the site, including the relocation of the Goods Shed. There are a few elements we're working through with Stadiums Tasmania and their team around the right funding model; they're things like working through the right fit-out of the kitchen for food and beverage. We'll have our warm fit-out provided, which includes services, but working out the right fit-out for individual elements in general access and premium, we'll work through with James's team as to the right model to do that. There are a few other elements including ribbon boards and PA systems. We'll provide all the services up to those connection points, but we're working through the best solution for the infrastructure at the end point.

**CHAIR** - Can I just clarify whether those things are in the \$375 million or they're not in the \$375 million?

**Ms BEACH** - The full project budget we're working through at the moment includes the contribution from the government so maybe I can just explain the cost estimate as it is now. The cost planning through the project process is a dynamic process so what we've submitted through the Project of State Significance process is a point in time and it's that concept design which is very early in the design process.

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We've already moved into schematic design, which is working with users, such as the AFL, cricket, concert providers and broadcasters, where we're unpacking specific details that are important for them, and that helps us go through additional design, both internally and externally of the stadium.

At concept design what we've included are significant contingencies and assumptions, so it is quite broad. What we have put in the POSS document is seeking planning approval, not budget approval. That's really important because we've included the full scope of uses that we'd look to deliver on day one, but also across the broader life of the project, so it gives us full planning flexibility. We'd expect to manage those costs down and it is a point in time at that broader cost scope.

**CHAIR** - Minister, do you want to add something?

**Mr STREET** - The \$375 million that you're referring to is the state government's contribution to the stadium build.

**CHAIR** - Yes, which includes everything in the stadium that requires it to operate. Am I right?

**Mr STREET** - Our \$375 million isn't going to pay for all of it. There's also \$240 million of federal government money and, as we've said, we will be going to the market for private investment as well.

**CHAIR** - I'll come to that.

The relocation of the Goods Shed is going to cost some money, obviously; is that included in the money the government will provide?

**Ms BEACH** - No, it isn't. That will be managed by the corporation so we'll manage that through an existing funding allocation that we have.

**CHAIR** - I thought the existing funding that's been provided by way of equity investment into Macquarie Point Development Corporation was for the stadium.

**Mr LIMKIN** - No. My understanding is there are multiple sources into Macquarie Point; there is the appropriation of about \$5 million each year over the forward Estimates and there has been some legacy money that has gone into the company as well. There are new equity injections specifically regarding the multipurpose stadium. I think that is \$640 million over the forward Estimates and they are coming through Finance-General, but the money Ms Beach is talking about, my understanding is they are existing funds that the corporation already has that had been provided previously through either the federal financial agreement or other type of mechanisms. When I say the federal financial agreement, I'm not talking about the new one being the \$240 million; it's a historic one that was originally done a number of years ago.

**CHAIR** - When is the Macquarie Point Development Corporation annual report to be tabled?

**Ms BEACH** - It's due to be tabled next month.

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**CHAIR** - That will probably be 30 October?

**Ms BEACH** - Before the end of October.

**CHAIR** - With regard to the cost estimates that have been provided to the Tasmanian Planning Commission as part of the POSS, are they P50 or P90 cost estimates?

**Ms BEACH** - P90.

**CHAIR** - Does the funding in the cap include the money allocated to the northern access road?

**Ms BEACH** - The northern access road is an existing project and it's not unique to the stadium, so it isn't included as part of this project. The northern access road was identified as part of the Hobart City Deal and it was initially identified to support Antarctic operations on the port. As part of the precinct planning work that the corporation did last year, that included working through some early concept design, working with the Department of State Growth and TasPorts around that alignment of that road. We included in that, working on that existing commitment, how that could complement the development of Macquarie Point, so it isn't specific to the stadium or that particular project.

**CHAIR** - Except that you definitely need a northern access if the stadium is built.

**Mr LIMKIN** - The northern access road movements of rapid buses, which has been assumed in there, as Ms Beach has said, are existing commitments from government or within the Keeping Hobart Moving strategic plan, which has been out for consultation. I'm sure Mr Abetz and my team earlier on may have mentioned it. There is a line item in our Transport capital budget for urban congestion funds, and that is where planning work for those types of projects has been included. The transport team at the Department of State Growth has commenced work on those matters through that period of that project, and we'll continue to work with the Macquarie Point Development Corporation and our community as we go through on these. I indicate that a number of these transport projects would have been required should the government have chosen to build a stadium there or not. They are key projects identified under the Keeping Hobart Moving plan to help with urban congestion and moving our community around Hobart, basically, and the northern suburbs.

**CHAIR** - Minister, what's the value proposition that you intend to sell to any private investor? No private investor's going to invest in something that doesn't provide them with a value proposition.

**Mr STREET** - We're very confident that we're going to be able to put a proposition to the private market that will attract private investment. Without even going to the market, we've already had private proponents approach us. I've been involved in one meeting. I know that Craig and State Growth have been involved in others as well, and there are examples from across Australia, Optus Stadium being one of them, where 60 per cent of the funding was put forward by the Western Australian government and 40 per cent of that was privately funded as well.

**CHAIR** - What's the value proposition? People don't invest in things without value for themselves. There's always a cost. To get value, someone has to pay.

**Mr LIMKIN** - On Monday the Premier indicated that the government would be moving to undertake market testing by the end of the year. That work will be done between the Department of State Growth, Treasury, DPAC, Macquarie Point, and also Stadiums Tasmania. As part of that document taken out to undertake that market testing will be a value proposition, we are currently working through that. There are options available for the government and, at this stage, we are still working through that to provide policy advice to the government.

**CHAIR** - I assume this will be made publicly available, what the value proposition is?

**Mr STREET** - Absolutely. The Premier was asked a question by Mrs Pentland in Question Time about -

**CHAIR** - I don't listen to what happens downstairs.

**Mr STREET** - I'm just making the point that - I'm sure you're far too busy to be bothered with what goes on in our House.

**CHAIR** - Correct.

**Mr STREET** - Right. The point I'm making is that he was asked that question by Mrs Pentland and the Premier committed to being fully open and transparent about the process that we will go through to attract private investment for not just the stadium, but for the development of the precinct as well.

**CHAIR** - We know that the state is not in an easy position because we have signed a deal with the AFL - we didn't, the Premier signed an agreement with the AFL - that put a lot of onerous requirements on our state. Whether or not those penalties end up being paid, which is highly likely because of the timing that we're already experiencing, is a matter for the AFL, I guess, to exercise their rights there. The person with the least capacity to stand and argue is the state because we have potentially a partly built stadium that we need private investment to finish. Doesn't that give those private investors the upper hand?

**Mr STREET** - No, we're very confident that we will secure the private investment that we need before the build starts.

**CHAIR** - As you'd know -

**Mr STREET** - A public-private partnership.

**CHAIR** - Yeah, there's always a cost to that. There's always two sides to every ledger. What is the state going to offer? This is back to the value proposition, I understand, but I'm finding it hard to understand what there is - when we see around the world, that many stadiums are loss-making ventures.

**Mr STREET** - It's not just about the stadium, it's about access to the precinct as a whole as well and whether developers see value in being involved in the stadium in order to be involved with the precinct as well.

**CHAIR** - The stadium occupies a very large portion of the precinct.

**Mr STREET** - Craig has just pointed out that there's been some private sector interest already extended beyond the precinct to include the delivery of the northern access road, key transport project, pedestrian access, affordable housing and the port upgrades which we think is all worthy of consideration as well. We think there are plenty of development opportunities that will be attractive to the private market as well.

**CHAIR** - How is that going to fund the stadium?

**Mr LIMKIN** - I understand the Chair's question. As I said, the government has asked multiple agencies to work together to actually provide them with some policy advice on the options to potentially take this to market, the value propositions to market, the right way to doing it so that we can ensure that the best opportunity is maintained by the state. We manage risk and that work has commenced and we are continuing to do that work consistent with the government's election commitment. When the government made their election commitment to limit their contribution to \$375 million, they also indicated that they would seek advice on this. This work has commenced and we -

**CHAIR** - Advice on?

**Mr LIMKIN** - Advice on the best way to undertake market testing and that includes the value proposition you were talking about. As the minister said, my understanding is the Premier has committed to that being open and transparent with not just the parliament but the people of Tasmania, so they can understand why the government's going down this pathway.

**CHAIR** - Minister, do you genuinely believe that there won't be further cost escalations in spite of the fact that there's some buffer built in? That there won't be further cost escalations because we've seen all around the world -

**Mr STREET** - What I'm committed to is exactly what the Premier is committed to and that is that the state government's contribution to the stadium build will not be more than -

**CHAIR** - Yes, but that's not the question.

**Mr STREET** - I understand that, but that is the commitment. You're asking for a commitment and that is the commitment that I'm giving.

**CHAIR** - I'm asking a question, minister. Do you believe that there won't be any further cost escalation as we go through the processes? As Ms Beach outlined, there's still a lot of work to be done, we're not at shovel in the ground stage by quite a way. Do you not expect there to be further cost escalation?

**Mr STREET** - I would defer to people with far better knowledge of these projects than me on a question like that. Ms Beach has indicated that we will be managing those costs ongoing and that we are at a very preliminary stage as well in terms of the cost.

**Ms BEACH** - There's a number of things that we can manage. There's value management, a pretty fundamental element of a large project like this and we'll be carefully working through that, so that's through design. A key element we're considering is scope. This is a multi-purpose venue and there are a number of things we can think about in terms of

staging - how we can be efficient with space. Going through the design process from a corporation's perspective, what we want as an outcome is a mixed-use activated precinct and for the stadium to be part of this.

Working with Stadiums Tasmania, they're obviously wanting to get the best possible experience for fans and also for users of the stadium, people coming in and providing the different content. We work through some really intensive workshopping about all the different elements that would include, drawing those in and then working out what makes sense to actually fit and provide through this venue.

Working through that design process, there are a few things that made a lot of sense to scale back. We had duplication in spaces, we could find efficiencies in colocations and we could then work through with users, what did they really need and what adjacencies do they need and they could feed through in some of those efficiencies in design.

We'll keep working through that process with users. We'll look at what opportunities there are for synergies, we'll look at what makes sense in the design, for example, looking in attachment A to our POSS submission, our architectural drawings.

**CHAIR** - Which we haven't read yet because we have had other things to read, there's a lot of pages there.

**Ms BEACH** - There are, there's over 4000, so we can point you to any particular bits if there are any areas of interest because it is a long read. The architectural drawings and attachment A show the sort of block drawings of the different allocations on each of the levels of the stadium and you can see from those that we've concentrated a lot of the service provision on the western side and that's on purpose.

Originally, we looked at it and went, we have all this space, what can we put everywhere and we've consciously kept all those sub-service things from the east to co-locate on the west for that's efficient for operations, efficient for the build and for access through that design. There's lots of things we can do in terms of design, value management, scope, staging around managing this project to budget.

**CHAIR** - Minister, I note originally that another rogue concept design is by an architect, which are creative pieces of work. It was a timber structure that made-up the roof is now, as I understand it, timber and steel.

**Ms BEACH** - It was always timber and steel and that steel is important for the reinforcing. Working through the actual shape of that dome structure and the height, what we've identified was the sort of point where it became self-supporting and that was really important in terms of both the amount of material that was required to create that grid structure. We want to minimise the amount of material to have maximum transparency, but also cost. For example, if we drop that a few metres, we were talking about many more millions in additional steel because it needed the extra structural support, so getting that right shape was important not just for visual aspects but also for structural efficiency.

**Mr STREET** - Just as a coincidence that allowed us to facilitate cricket's needs in terms of roof height as well at the same time when it turned out that the optimum height for the roof to support itself actually facilitated the needs of cricket as well.



**CHAIR** - Do you know if you can hit a ball through the ceiling, no?

**Mr STREET** - No, they've done plenty of testing, trust me.

**CHAIR** - Because of the nature of the roof and I don't know how you're going to get all the bird poo off, but that aside.

**Mr STREET** - It's self-cleaning.

**CHAIR** - Like an oven?

**Mr STREET** - I only know this because the journalist asked the exact question at the press conference.

**CHAIR** - It is self-cleaning, it will have its own wipers?

**Mr STREET** - Not wipers -

**Ms BEACH** - Through the shape, it has two layers of ETFE, through a vacuum, creates this kind of bubble structure, so when it rains it drains off.

**CHAIR** - Bird poo lands on it.

**Ms BEACH** - Yep, and it will wash away when it rains.

**CHAIR** - It doesn't rain much in Hobart. This is the problem.

**Mr LIMKIN** - It's a technique that's used in Sydney and widely in New South Wales. They've actually got an open canopy and there's no bird poo at all, so it does work.

**A member** - UTAS might want that on the Forestry building too.

**Mr LIMKIN** - That's right.

**CHAIR** - What I was coming to was the ventilation in there. It's a form of glass?

**Ms BEACH** - It's a plastic, it's almost like a thick cling wrap.

**CHAIR** - Yes, so it's like a hothouse, let's face it. It'll retain the heat - well, the heat will radiate through?

**Ms BEACH** - Yep.

**CHAIR** - What sort of ventilation is anticipated in it?

**Ms BEACH** - There's a couple of different elements. There'll be ventilation that's built in around the seating bowl. We're also looking at the moment in the roof design how we can have either permanent or operated levers to allow for that heat dissipation. As you imagine, hot air rises so we're going to have the hottest air in the middle of the dome where it gets that

highest point. We're looking at how we can move that out. It's just going to be on those handful of occasional hot days to make sure we can get that hot air removal. As hot air rises, you suck in cool air from the bottom.

**CHAIR** - Surely, you need some ventilation in the place? There will be a lot of bodies in there.

**Ms BEACH** - There's ventilation through the edge of the top of the seating bowl and also round the bottom, so you get movement all through the structure.

**Mr STREET** - The top of the seating bowl and the roof, there is a ventilation gap around the outside, so it's not fully enclosed. It's fully covered but not completely sealed.

**Mr HARRISS** - On the costs, I've listened to you explaining some of the design features and some of the adjustments that have been made to better use the area, but that hasn't reduced the cost because it is more than what it was predicted to be. Even with those good design features, we still haven't come back down from the original target, have we?

**Ms BEACH** - We've been costing this process from the start. Cost planning is a dynamic process and we've got our cost planners working alongside the design team. It is a constant process of looking at different opportunities. We're looking through value management and the different ways we can do that. We have already brought the cost down, from if we just had endless space and then coming down to more efficient. It is a constantly reducing, evolving cost plan that is constantly coming down. The plans we have submitted through the Project of State Significance process is our concept design and we've already found value management opportunities since that submission.

**CHAIR** - Again because I haven't been through the 4000 pages, does the concourse extend outside the stadium all the way round?

**Ms BEACH** - It does. There's two concourses, so there's an internal concourse that's all the way round, that's continuous. It's an important part of the accessible design. There is also -

**CHAIR** - I am more interested in the outside concourse.

**Ms BEACH** - There's also an external concourse that has 360-degree access as well.

**CHAIR** - How narrow is it at its narrowest point?

**Ms BEACH** - Internally it's eight to nine metres and externally it varies. It will depend on where you are in the different elements of the precinct. I think it would be around 10 metres.

**CHAIR** - Is the narrowest, 10 metres would be the shortest distance from the edge of the stadium to the edge of the concourse?

**Ms BEACH** - Sorry, internally it's around eight to nine metres for the internal concourse and, externally around the precinct, I think the narrowest point would be around 10 metres.

**CHAIR** - How many entry points are there?

**Ms BEACH** - There's four gates. That's been a really important part of the design. We could have had one central gate but what we needed is for this to integrate -

**CHAIR** - That would be crazy.

**Ms BEACH** - It is, but it's having, I guess, a feature and that was one of the design ideas. What we need is this to integrate as part of the precinct and to enable the different access points that we've managed, pedestrian access, public transport, where people will be parking. We've modelled those different elements. It's also important as part of the precinct. This isn't a standalone project. There's developments all around it, so we need to make sure that load is spread across the precinct as part of the activation.

**Mr STREET** - Without getting too technical, the reason the internal concourse is important is it means that, no matter which gate you come in, you can get to your seat easily.

**CHAIR** - But you don't want everyone coming out one hole there.

**Mr STREET** - No, of course you don't. But at places like the MCG or at Marvel Stadium in Melbourne, it is really important that you go in the right gate. At this stadium it won't matter because the internal concourse is all on one level. If you come in at the northern gate but you've got a southern seat, all you will need to do is come in, walk around half of the ground and you will be at your seat.

**CHAIR** - As the design features are clarified, the final engineering design and all of those important things you need for a building like this, will the cost be updated or will that be something that is done at the end?

**Ms BEACH** - It is a continuous process. We will be continuing to monitor and manage costs through the design. It will be informing all of the design decisions we make and will inform how we go through working with the actual delivery construction process, our expectations around whoever is leading that construction process and the things we ask them to look at. As a complex build, we anticipate to see firms coming in who have quite broad expertise. They are likely to bring innovations in terms of how some of those elements might be constructed and offer additional savings as well.

**CHAIR** - The question was more, before this finishes its Project of State Significance process, the parliament will need to be assured, when it comes back, that the engineering design and whatever structure is to be built, in terms of engineering process, has been fully costed and the cost is 'x'.

**Mr STREET** - And that we have secured the funding, the private investment as well.

**CHAIR** - Assuming we go over budget, yes.

**Mr STREET** - There is a gap required. From the very start, there has been a requirement for private investment into this stadium. Of course, there will be now. We will need to have secured that private funding before it comes back to parliament. Parliament will want an assurance that we have the finance in place to complete the build before parliament signs off on the POSS process.

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**CHAIR** - Absolutely. But will we have a clear understanding of the construction costs?

**Ms BEACH** - We will be continuing detailed design in parallel to the POSS assessment and will have an update of the work that we have done and the costings at that point at the end of the POSS process. I imagine that would be part of the briefings that would be provided to members as part of their review of the decision.

**CHAIR** - The Tasmanian Planning Commission (TPC) report generally - not that we've had that many, I must say, very few.

**Mr STREET** - Through the POSS process?

**CHAIR** - Yes, Basslink went through it.

**Mr STREET** - Basslink went through it? Okay.

**CHAIR** - The pulp mill got pulled, Ralphs Bay got rejected.

**Mr STREET** - Craig was just saying this will be the first one approved by parliament.

**CHAIR** - Yes. Because others were private. Basslink was private.

**Mr LIMKIN** - At the time, the state planning and policy act didn't require an approval.

**CHAIR** - Unless the minister did not accept the conditions.

**Mr LIMKIN** - Unless the minister made a change to the conditions that the TPC had put on it. This is a unique situation.

**CHAIR** - Yes, so I would expect the TPC to produce a report that has conditions. The Basslink one certainly did.

**Mr STREET** - Anne and her team have already pre-emptively developed what they presume will be some of the conditions as well to try and get in front of that and have included them in the POSS submission. But there is an expectation that there will be more conditions from the TPC as well.

**CHAIR** - Sometimes projects fail the POSS process too, like Ralphs Bay did. You might remember that one.

**Mr STREET** - I remember the project. I wasn't involved in politics at the time. Too young.

**CHAIR** - That means I'm too old, because I was here at the time.

**Mr STREET** - That's right. Not that I want to insult you.

**CHAIR** - No, no. In any event, the TPC is not going to impose, I wouldn't imagine, a condition related to the cost? That's really none of their business, is it?

**Ms BEACH** - There may be some elements that are cost-related, so they may require us to do some further work in particular areas. One example might be - as the minister noted, we've anticipated there will be obviously some conditions, and some of those we can anticipate. As part of the relocation, the Goods Shed will need to put together a conservation management plan that outlines exactly how we'll go through that process. That would probably need to be approved by Heritage Tasmania and the Heritage Council. That would be an example of a condition.

**CHAIR** - I wouldn't say 'probably'. It would almost certainly have to be approved, wouldn't it, by then?

**Ms BEACH** - Some of the conditions imposed may involve additional costs through that process. There could be additional costs related to how we implement the project. But the project itself? We'll have to wait and see what the conditions are. We would still have an updated design and cost at that point in time.

**CHAIR** - Back to you, minister, on this: for the people of Tasmania, some of whom have real concern about spending this amount of money - on anything, but this in particular. For me as a member of parliament, to be really clear with the people I represent: the full cost to deliver this project needs to include the relocation of the Goods Shed. It needs to include parking, it needs to include the buses, all those sorts of things. The buses will be part of a system to assist the transport situation in Hobart, anyway.

**Mr STREET** - The parking - we made it very clear at the press conference we did a couple of Wednesdays back, Ms Beach and I - there is no car park associated with the stadium.

**CHAIR** - I know. That's part of the problem.

**Mr STREET** - I don't think it is. The very reason for building this stadium where we're building it is that we want people to flow back into the city. We want them to use the car parks in the city. We want them to use public transport to access this ground. We want them to go back out into the city, and spend money at the hospitality businesses that are looking forward to this stadium being built and the economic benefits that go with it. Modern stadiums aren't built with car parks next to them.

**Ms LOVELL** - Is there not a car park for services and staff?

**Mr STREET** - There is car parking underneath the stadium. As part of the precinct plan, there is a car park to be developed to facilitate the office space and other elements of the precinct. There isn't a specific car park to facilitate the stadium, no.

**Ms LOVELL** - And that's not included as part of the costings, or is it?

**Mr STREET** - That car park isn't, no. The Greens tried to conflate that car park cost as well, and say that this was another cost blowout. It's not. It's separate to the stadium.

**CHAIR** - Bumping in for a footy match is a little different from bumping in for a major concert. Would you agree?

**Mr STREET** - What do you mean? For somebody in attendance, or for somebody -

**CHAIR** - No, the people putting on the event.

**Mr STREET** - Oh, absolutely.

**Ms BEACH** - That's been a key part of our design. While there's the field of play that is quite obviously providing for sporting events, some of the things we've built into the design of this stadium are things like the stage pocket to the north. Some of the images that we've released show that there's concert and staging to the north of the build of the stadium is on purpose. There are some removable seats to the north, where there's a concrete pad there where staging can be set up.

This is one of the things that we've tried to build in to make it really accessible for concert event promoters in that they can come in underneath the stadium, have truck access, and go straight into that space. It makes bump in, bump out really easy. They can get direct access. It minimises costs in needing to rehabilitate the field of play. That separation, having that half ring road underneath, allows for separation of people, and set up and pack up, and allows for more efficient use of the site. They are some of the fundamental things that have been part of our design, to get a proper multipurpose outcome.

**CHAIR** - How many semis can you get under there?

**Ms BEACH** - There's room for OV parking. It's been designed for a Pantech, so you can get large trucks -

**CHAIR** - A what, sorry?

**Ms BEACH** - Pantechs? They're built-in for the large media trucks that come in as part of large events. There's parking for four, but there's also the ring road, so you can have vehicles in there at the same time.

**Ms LOVELL** - Are those elements part of the costings that affect that?

**Mr STREET** - For the stadium build? Yes.

**Ms LOVELL** - Thank you. I have questions on other sport-related matters, not the stadium.

## **Output Group 5 - Culture and Tourism Development**

### **5.6 Sport and Recreation**

**Ms THOMAS** - We will have plenty more opportunities to scrutinise the stadium over the next 12 months.

**Mr STREET** - The Premier acknowledged that in his hearing.

**CHAIR** - Did you need anyone else at the table for sport and rec?

**Mr STREET** - No, we are fine.

**Mr HARRISS** - I will lead off with the High Performance Centre, as it's just been discussed. The timeframes are getting tight. I know we talk about preferred locations - but have we got an update on a location and where's it at?

**Mr STREET** - We haven't made a final decision yet. There's still due diligence being done at both Kingston and Rosny. I'm very confident in the process that's been undertaken. I understand the commentary around delays, but this isn't just State Growth doing this due diligence. The AFL and the Devils themselves are on the steering committee that's doing this due diligence work. They all understand why the work is being done to make sure that we make the correct decision, not just for the Devils in terms of building their home, but also in terms of the best decision for Tasmanian taxpayers as well. I absolutely acknowledge the tight timeframes. I don't know that we're going to put a date on it, but we are very close to making an announcement.

**Mr HARRISS** - No one had anything on high performance? I'll jump off them.

**CHAIR** - How much is it going to cost, do we know?

**Mr STREET** - It's budgeted for \$70 million.

**CHAIR** - We won't know much more about that, though, until we get an actual design, will we?

**Mr STREET** - Exactly right. That is part of the work and the due diligence that's been done at both sites as well.

**CHAIR** - The cost of the build?

**Mr STREET** - Yes.

**Mr HARRISS** - You spoke in your introduction about the vital role that sports clubs and sport and rec play. I couldn't agree more. I see it certainly in my communities, where they've got strong clubs, and participation makes a massive difference. The Active Tasmania time-limited funding to sporting organisations program, the note is that it's to provide funding to organisations to support more Tasmanians being involved in sport and active recreation. How will that be rolled out, and where - because I do know about some strong clubs, but there are also clubs that just get by. I'm wondering how they'll be informed of certain things?

**Mr STREET** - Are you talking about state sporting organisations or more about clubs?

**Mr HARRISS** - On page 325, there's Active Tasmania, which is time-limited funding to sporting organisations. I'm wondering how that program will be rolled out and how clubs are going to be informed. There's \$5 million in the Budget so I imagine it's multiple things.

**Mr STREET** - The time-limited funding to sporting organisations is funding to state sporting organisations themselves, not to clubs. It's funding for AFL Tasmania, not for specific AFL clubs. There's money for Bowls Tasmania to participate in the National Premier League. There's money for Cricket Tasmania for the Junior Travel assistance program. In terms of funding for specific clubs, you're probably looking more to the Active Tasmania Grants

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Program that we run where clubs can apply for funding. That was \$5 million in the last financial year and \$5 million in the coming financial year as well.

**Mr HARRISS** - Good. Institute of Sport staffing levels? Do we have staff numbers? While you are you looking at that, do we have the number of athletes that are involved or programs through that?

**Mr STREET** - We have both and the TIS has a projected aim for performance outcomes for the athletes that they've got on scholarship and on programs.

TIS key stats: 68 high-performance athletes, 42 males and 26 females; 81 talent ID for the 2032 Olympics identifying 53 male and 28 female athletes; 31 athletes through the cycling, sorry, 17 cycling, 14 rowing. Is that right?

**Unknown** - Yes.

**Mr STREET** - Forty-three athletes supported through training agreements, targeted services, support services of 32, and associate scholarships of four. These numbers are all over the place.

**Unknown** - It's because they are different data sets, sorry.

**Mr STREET** - The TIS currently employs 26 staff operating over two locations: the Tasmanian Technopark in Hobart and the Silverdome complex in Launceston. Breakdown of scholarship athletes' high performance by region is: south 47; north 16; and north west 5. TIS operates six programs in the sports of athletics, canoe, slalom, cycling, hockey, rowing, and sailing, and partners with Netball Tasmania to develop their or Elite Development Program as well.

**CHAIR** - There's a bit of under-representation in the north west. Is there much effort put in up there to identify -

**Mr STREET** - The talent ID program for 2032 was run statewide I believe. But it did seem particularly low at the minute with 47 from the south and less than - what was it?

**Ms THOMAS** - It depends, they might have originated there though. Often the athletes will move once they are identified.

**CHAIR** - How old were these ones that were targeted? They would have been pretty young. The Olympics are a few years off. I would have thought they were in primary school or maybe high school at best.

**Mr STREET** - High school at best.

**CHAIR** - Are you able to find that out because it seems to be a fair lack of representation.

**Mr STREET** - We will take that on notice.

**CHAIR** - Sport is pretty big in the north west.



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**Mr STREET** - I know it is.

**CHAIR** - The home of footy is in the north west - the AFL - it absolutely is.

**Mr STREET** - Is it?

**CHAIR** - It absolutely is. You didn't know that?

**Mr STREET** - People in the north and south would probably dispute that but anyway.

**CHAIR** - Do you want to come up there and dispute it with me.

**Mr STREET** - Not particularly.

**CHAIR** - Oh, it is. Darrel Baldock. You know, come on, really. The Gales were up there. Our new CEO.

**Mr STREET** - Peter Hudson's from the south. Royce Hart was from the south.

**CHAIR** - Alex Pearce, come on, let's go.

**Mr HARRISS** - Just one for my personal knowledge. In the Tasmanian Icon Program, state cricket team funding, is that purely for the state level team? Is that what that is?

**Mr STREET** - Yes. That's a direct allocation to Cricket Tasmania.

**Unknown** - No, [inaudible] anymore. We moved it in so that we can do it all in one [inaudible].

**Mr STREET** - Right. I beg your pardon?

**Mr HARRISS** - I did see where it has been allocated over to that. But still, that's what it's for?

**Unknown** - Yes, but it is to Cricket Tasmania to run their programs.

**CHAIR** - I noticed we just lost our Stadiums Tasmania people from the table and I was going to ask but they might come back.

**Ms THOMAS** - I have some questions on sport and rec first.

**CHAIR** - Okay.

**Ms THOMAS** - Noting the time, I'll try to be brief. I note that in the 2023-24 budget, the allocation was \$20.4 million for sport and recreation. It's gone up to \$40.12 million in 2024-25. I expect this is all the election commitments to sporting clubs, is that right?

**Mr LIMKIN** - Through you, minister, it's predominantly the election commitments for the fund, plus also some reprofiling changes from the 2023-24 year into the 2024-25 year based on the grant payments.

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**Ms THOMAS** - Importantly, I note at footnote 11, it mentions the \$5 million for repairs to the Glenorchy Pool are also included in this line item. I wanted to be clear that that is the case, minister?

**Mr LIMKIN** - Through you, minister, that is the advice that I have, yes.

**Ms THOMAS** - So, it's definitely in there: \$5 million for the Glenorchy pool repairs is definitely in the budget.

**Mr STREET** - Is in there and will be delivered.

**Ms THOMAS** - The people of Glenorchy will be very pleased.

**Mr STREET** - Yes, so will the mayor.

**CHAIR** - Current or former?

**Mr STREET** - Current as well as former.

**Ms THOMAS** - Also, I note on page 350 of budget paper No. 2, volume 1, there's a reference to \$49.7 million over four years for new southern Tasmanian sporting facilities. I'm keen to get clarity on what this includes and desperately hoping it includes funding for the northern suburbs multi-purpose indoor court facility which was promised back in 2018. It doesn't appear to have its own line item referenced in the notes or footnotes anywhere, whereas other community sporting facilities have their own line item. It's definitely in that line item?

**Mr STREET** - The four-court facility is included in that line item.

**Mr LIMKIN** - Through you, minister, this is one of these ones that we will be breaking out in the future. We're just -

**CHAIR** - Breaking out?

**Mr LIMKIN** - Well, breaking out into its - separating out into its various components and so, we're just undertaking the site selection work at the moment for the various components and once we have clarity on numbers, preliminary designs, we will seek Treasury's approval through the minister to actually break that out to the various components.

**Mr STREET** - The reason that it's all included is that it includes money for the JackJumpers high-performance facility and also an allocation for the gymnastics facility. But, the four-court facility is in there and is \$30 million of that \$49.7 million.

**Ms THOMAS** - Excellent. That was my next question. Is the JackJumpers high-performance training centre also included in there? The recent question I've asked in this House - and you provided an answer through the Leader about the amounts allocated - was \$30 million for the northern suburbs community courts, \$15 million for the JackJumpers high-performance training centre, which adds up to \$45 million. So, I imagine there's \$4.7 million additional there for -

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**Mr STREET** - Drifting.

**Ms THOMAS** - Yes, for gymnastics.

**Mr STREET** - For gymnastics and for -

**Mr LIMKIN** - Through you, minister, project costs and fees and other type of matters that just haven't been allocated yet.

**Ms THOMAS** - Well, that's a relief. Thank you for clarifying that and it will be separated out?

**Mr STREET** - It will and we will have a site selected very soon for the four-court facility as well.

**Ms THOMAS** - Very soon. Like, in the next four weeks? Well, it was going to be by the end of August that the shortlist was going to be provided.

**CHAIR** - That's right.

**Mr LIMKIN** - Through you, minister, Infrastructure Tasmania is currently undertaking - they've started with a long list of sites. We've reduced that down based on some community feedback, consultation with the council and various users, and now what we're doing is we've got a very small number of sites left, and we're taking preliminary works on those sites. So, when I say preliminary works, we're looking at geotechs, zoning and those type of things, so that we can have clarity on the way forward so that the community understands that - not all the risks because we can't, - we're doing boreholes. We're not doing full geotech networks at this stage, but at least we can work through some of the risks. When we provide advice to government for government to make a site selection, it's as fully informed at the right stages of the construction or the design as possible.

**Mr STREET** - I committed before I walked in here, Ms Thomas, that I would mea culpa over this. I know it's taken too long. I know how many people are waiting for it. We will get the site selection done as quickly as possible and we will hit the ground running with construction as quickly as we can after the submission of a DA for it as well.

We know how important it is and I don't mind putting on the record that I know that this was a 2018 election commitment and I was a staff member when we chose Wilkinson's Point as the original site to build it. The JackJumpers came along and we made the decision to combine the two facilities because we thought that was the right thing to do. Obviously, there were then challenges with developing that Wilkinson's Point site and we separated them back out again. I know there was disappointment that we identified the JackJumpers site before the four court facility community site as well and people feel like we've neglected it. We absolutely haven't. We know how important that -

**CHAIR** - It will take them two more elections to get there.

**Mr STREET** - It has, yes, but we will get the site selection done. Like I said, we will get construction started as soon as humanly possible.

**Ms THOMAS** - I appreciate your acknowledgement of that, minister, and I also know that you also know I'll keep asking you until it's delivered. Standing up for the people of Elwick!

The secretary mentioned that consultation has been undertaken with user groups in recent times about potential sites. Are you aware of who has been consulted with in terms of user groups?

**Mr STREET** - I am not but I am happy to let Craig answer.

**Mr LIMKIN** - I am going to need a second to check my list - I'm sorry - so that I can move on and I'll come back to it.

**Ms THOMAS** - That's okay. Whilst you check that, I will move on to ice sports - another of our favourite discussion topics and wonder if you have any update on progress since the feasibility study was released in February?

**Mr STREET** - Craig, would you like to talk about ice sports?

**Mr LIMKIN** - Thank you, minister. Events Tasmania did a high level study, as has been publicly released, on both potential site options, potential models and various other matters on that. Since that time, we have been looking at options to make the proposition attractive to a private sector provider. The minister said that when he released that document that the government would be looking at seeking some land from the council and also looking at options for a private sector part owner.

I made the decision to take a pause, and I will come to EOI and whatnot in a second, while parliament considered the changes to the *Tasmanian Development and Resources Board Act* because that provided some new levers that the department could provide the government with to consider our options to provide those types of financial incentives going through either a loan, equity, and different type of mechanisms. So, following the passing of that act, we've now started to commence work on a registration of interest process that would be released somewhere between mid to late October and this process will enable us to test, first of all, is there interest in the proposal so that we can understand what teams they have, what risks they pose to the government and a pre-market testing.

If registrations come back and proposals come back in October and November the team will look at reviewing those through an established EOI assessment criteria, determining government options and providing options to the minister, should the government and the TDR board. That's a pathway we choose to go down, about options for governments offering to support the development should the government want to make that policy decision.

Following that, if everything goes well, we'll put an expression of interest to the market to undertake a bid in relation to that and really assess that. Hopefully, in early 2025, the plan would be to have the market participants come back, articulate assessment and then move forward.

I want to be clear that should any financial support need to be considered through this process, first of all, it's through the TDR board. There are mechanisms in that area to be able to do that. If it needs to be through the budget process, the aim is to be able to have that in the

2025-26 Budget process so the government can make decisions and choices at that period of time.

**Ms THOMAS** - My final couple of questions are in relation to regional sport and recreation infrastructure planning.

Minister, we've had conversations about this previously and Greater Hobart Councils have requested for state government funds to assist with the preparation of regional support and recreation infrastructure plan for Greater Hobart, only to be told that the government is doing a statewide sport and recreation infrastructure audit and strategy. I feel like a lot of the community and political angst about both high performance and community facilities could have been avoided if only the time had been taken to strategically plan high performance and community assets, including geotechnical testing, and things like that, to look at suitability of locations, forecast participation data into the future and an audit first and foremost of current facilities and participation data. Is the department working on a regional sport and recreation infrastructure plan?

**Mr STREET** - We're working with existing infrastructure data sets of state and local government, state and national sporting organisations and the Department of Education, Children and Young People to inform an infrastructure gap analysis. This complex piece of work will complement the Regional Sport Facility Plan for northern Tasmania which was commissioned by five councils and completed in 2023. Combining facility plans and other data sets will enable the Tasmanian government to best understand current and future demand for facilities. In the 2023 State of the State Address, Active Tasmania was charged with conducting a whole-of-state facilities audit, and that's exactly what we're doing. But it is complex work to combine the data sets that I'm talking about from various locations as well, but that work is ongoing.

**Ms THOMAS** - Councils are engaged in that work as well as facility owners.

**Mr LIMKIN** - Through you, minister. We're sucking the data out of councils with my information and that will continue the work with councils going forward.

**Ms THOMAS** - Is your expectation, minister, that the product at the end of this will include an audit of current facilities, analysis of current and forecast participation data, and identification of potential sites for the development of future facilities, so it's a really robust strategy? The last thing that the sporting community and Tasmania needs is another sort of broad-brush motherhood statement objective strategy when it comes to infrastructure planning. It needs to be on the ground and ready to go.

**Mr STREET** - To be clear, what we don't want is just a point-in-time analysis. We want something that's robust, that keeps updating so that it can guide, not just decisions for next year, but for five and 10 years as well. So yes, that's exactly what the intention is.

**Ms THOMAS** - Do you know when you plan to have that piece of work completed? Or hope to have that piece of work completed?

**Mr LIMKIN** - I'm not sure when we'll have that completed. The minister has asked me to make sure resources are prioritised so it can be done as quickly as possible. I know, as you

indicated, that this started back with the Greater Hobart mayors and they continue to advocate for it, so we will prioritise it as quickly as possible.

**Ms THOMAS** - Will you share the details of a project plan on the department website or something like that?

**Mr LIMKIN** - I'm comfortable to put key dates up similar to - and the dates I provide for the committee now, I've provided to Anna from Ice-Skating Tasmania. I'm really comfortable to provide that information as well.

**Ms THOMAS** - This is for a broader sport and recreation strategy?

**Mr LIMKIN** - Yes. Back on the other question, the advice I have is that we've done preliminary consultation on drilling with basketball, football, netball, football, and futsal. We will continue - we haven't done specific consultation yet on the final sites that we've got down. Once we finish the work that we're currently doing, we will go back and do further user testing with those groups prior to providing a recommendation to the government.

**Ms THOMAS** - Will that include local clubs and associations, not just the state sporting organisations?

**Mr LIMKIN** - The advice I have is, yes it will.

**Ms THOMAS** - I hope so, thank you.

**CHAIR** - With regard to capital investment, I think, doing some of the things you're referring to - but there's one other cover investment thing - is the Dial Regional Sports Complex. Can you just tell me what that funding actually is to achieve there?

**Mr STREET** - I've just brought James over, the CEO of Stadiums Tasmania back, because obviously Dial is one of the assets that we're planning to transfer.

**Mr AVERY** - Through you, minister. We're currently working with State Growth and Central Coast Council on what that funding is going to go towards. We've been in close consultation with the councillors to what their needs are. There's also an appetite from the Tasmanian Football Club to play some pre-season men's games there, AFLW games as well, so there's a need to increase the ability to host that sort of content at the venue. That's to be measured out with community use as well, so it can't be channelled towards purely trying to attract elite level content or high-level content. It has to be able to service the community better than what it already is. It's a fantastic facility as it stands. That work is ongoing at the moment -

**CHAIR** - It's got a great playing surface.

**Mr AVERY** - Yes, it's incredible. What possibilities exist to be able to get more community groups, more community users, using the facility is a question that we're considering at the moment. I was up with councils as recently as a couple of weeks ago having this very discussion.

There's a few key principles that we're working through. As I said, the ability to be able to attract more content there, have an academy program from the Devils, for example, run

through that facility. But, there has to be some tangible benefits that are easily identifiable to the community at large in that region. There's also some work around master planning in the broader precinct, given that - they're very fortunate that not only do they have the Dial Park facility, but there are other sporting and other facilities around the ground itself - so, how do we come up with a plan that links all of those, fully utilises the suite of venues and the precinct itself that's available there? That's part of the work that's going around master planning, as well.

**Mr STREET** - That's the \$500,000 that we've pulled forward out of the \$25 million. It's for work on the master plan for the entire precinct to make sure that the work that we do, like James said, at the football ground, complements everything else that sits within that precinct as well, and makes sure that it all works together.

**CHAIR** - Is there no specific plan for what is going to be developed at Dial Complex?

**Mr AVERY** - Not at the moment. What's been undertaken already is a venue assessment report and due diligence in relation to - if you are able to get it up to the standard where it can host, for example, pre-season men's AFL games -

**CHAIR** - Why won't we talk about the women? They're going to start first.

**Mr AVERY** - I'm just giving you an example of -

**CHAIR** - The women are starting the year before the mayor.

**Mr AVERY** - They will, absolutely. They'll be there before anyone.

**CHAIR** - That's right. That's correct.

**Mr AVERY** - But, what is required from a compliance perspective from the ability to have broadcast in the venue? That assessment is being done at the moment, that's near completion. And then, from there, we can make informed decisions about how that money is spent. Again, that's one overlap-

**CHAIR** - When you look at some of the grounds they play the Gather Round on, it's better than that already.

**Mr AVERY** - Absolutely, which, again, is another reason why Tasmania is so well-placed to host Gather Round. When you look at that venue, when you look at the venues in Launceston, in Hobart - it's an incredible facility - we need to ensure that the funding that's been allocated to it creates a pathway where it remains an incredible facility for many years to come.

**CHAIR** - Minister, I know that in the equity transfer across to Stadiums Tasmania is to be some transfer of venues. It says here, this coming year - well, we're in this year already. Have any been transferred as yet?

**Mr STREET** - Not yet, but I'll go to James. We're very close.

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**Mr AVERY** - Through you, minister. We are very close with UTAS Stadium, which is the first cab off the rank. These transfers are incredibly complex processes; there's the transfer of the asset itself, there's land, there's staff -

**CHAIR** - There's liabilities.

**Mr AVERY** - Yes, absolutely, and understandably. When you're transferring from council and they've had that venue in their ownership and operation for many years, they want to ensure that whoever is going to be the future owner operator, you're going to be able to maintain the venue appropriately and be able to ensure that there's even more content running through the venue. They're all legitimate considerations that councils and other governing bodies should be making as part of a transfer process.

We're at the concluding stages of that negotiation with council. We anticipate that there's a very lengthy consent deed document that's been worked up by both parties. We expect that to be considered by council in the coming weeks. And also, separate to that, in the background we're working through with State Growth for the transfer of Silverdome as well. The two northern venues have been taking up most of our time, as far as transfer negotiations.

**CHAIR** - With Dial Park, what's the timeline for that one?

**Mr AVERY** - The timeline there is once we've established how the funding is going to be spent, and therefore what the future purpose of the venue and operation of the venue looks like, we've made a commitment with council that we would sit down and work out what the ownership model looks like. It may be appropriate that Stadiums Tasmania takes ownership of that, but it may be appropriate that it remains with council.

**CHAIR** - So, that one isn't given yet?

**Mr AVERY** - Not at the moment.

**CHAIR** - Alright. Good. I'm very conscious of the time, people. Are there any pressing questions on Stadiums Tasmania? Thanks, minister, we're a bit worn out. Thanks for your time.

**Mr STREET** - No worries at all. Thank you for your time. Thank you to Craig, to Tim, to James, to Anna, and to Kate, who came to the table as well, and to everybody else's help in the preparation for today. Thank you.

**CHAIR** - Thanks very much, minister.

**The Committee adjourned at 7.45 p.m.**