



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Hon. Guy Barnett MP

Monday 6 June 2022

MEMBERS

Hon Rosemary Armitage MLC (Deputy Chair);

Hon Jane Howlett MLC;

Hon Tania Rattray MLC (Chair);

Hon Jo Siejka MLC;

Hon Rob Valentine MLC; and

Hon Josh Willie MLC

IN ATTENDANCE

Hon. Guy Barnett MP, Minister for State Development, Construction and Housing; Minister for Energy & Renewables; Minister for Resources; Minister for Veterans' Affairs

Ministerial Office

Amy Hills	Chief of Staff
Nic Waldron	Senior Adviser, State Growth
Ilise Bourke	Senior Adviser, State Development & Construction
Adam Foster	Senior Adviser, Energy
Matthew Hochman	Senior Adviser, Resources
Emily Mallett	Adviser, Housing
Brad Turner	Adviser, Energy

DEPARTMENT OF STATE GROWTH

Capital Investment Program (CIP)

Kim Evans	Secretary, Department of State Growth
Gary Swain	Deputy Secretary Transport Services
Martin Blake	Chief Executive Officer, Infrastructure Tasmania

Output 1.1 Office of the Coordinator General

John Perry	Coordinator General
Peta Sugden	(ex) Director, Investment Attraction

State Development and Construction (included in Output 1.2 Industry Business and Development)

Kim Evans	Secretary
Brett Stewart	Deputy Secretary Resources, Strategy and Policy
Mark Bowles	Deputy Secretary Business and Jobs
Amanda Russell	Deputy Secretary, Business Services
Andrew Smythe	A/General Manager Strategy, Policy and Coordination
Megan Geason	Director Commercial Finance
Renee Woodhouse	Director Global Education and Migration
Gary Swain	Deputy Secretary Transport and Infrastructure
Martin Blake	Chief Executive Officer, Infrastructure Tasmania

Output 4.2 Mineral Resources

Kim Evans	Secretary
Brett Stewart	Deputy Secretary Resources, Strategy and Policy
Amanda Russell	Deputy Secretary, Business Services
Glen Dean	Director Finance
Kevin Robinson	Director Mineral Resources Tasmania

DEPARTMENT OF TREASURY AND FINANCE

Output 5.2 Energy and Renewables

Tony Ferrall	Secretary
Anton Voss	CEO, Renewables, Climate and Future Industries Tasmania

Sean Terry Executive Director, Renewables Climate and Future Industries
Tasmania
Adrian Christian Director, Renewables, Climate and Future Industries Tasmania

DEPARTMENT OF COMMUNITIES

Output 3.1 Housing Services

Michael Pervan Secretary, Department of Communities
Peter White Deputy Secretary, Community Services, Infrastructure and Housing
Richard Gilmour Director, Community Infrastructure
Jessemy Stone Director, Housing Policy and Programs
Rod Fazackerley Manager, Budget Management

Output 4.6 Veterans Affairs

Output 90.9 Returned Service League Support

Michael Pervan Secretary, Department of Communities
Kate Kent Deputy Secretary, Department of Communities, Sport and Recreation
Wendy Yardy Manager, Policy and Program

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT TASMANIA

Output 2.5 Forest Policy

Grants and Subsidies

Jason Jacobi A/Secretary, Department of Natural Resources and Environment
Tasmania
Deidre Wilson Deputy Secretary
Alistair Morton Director, Forestry & Game Services

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The Committee met at 9.00 a.m.

CHAIR (Ms Rattray) - The time being 9 am, I'd like to welcome everyone here this morning for Committee B Estimates, and we have the pleasure of starting off with the Minister for Energy and Renewables, Minister for Resources, Ministers for State Development and Construction Housing, and also later in the day the Minister for Veteran Affairs. So welcome, minister, and before I invite you to provide a brief overview and introduce your team at the table, I'd like to take the opportunity to introduce members of our committee.

So to my right we have the Honourable Josh Willie, the Honourable Rosemary Armitage, Tania Rattray, Chair, the Honourable Jane Howlett, and the Honourable Rob Valentine. Our committee support is Julie Thompson and Simon Scott. This is Simon's first estimates with Committee B, and we'd like to welcome him, and thank our secretarial support for the work they've done in preparing members. Also, we have Lynne on Hansard. That's our team, minister. I invite you to introduce your team.

Mr BARNETT - Thanks very much, Chair, and to the honourable members. It's a pleasure to be back before you today at budget Estimates, and to introduce Anton Voss, the CEO of Renewables Climate and Future Industries Tasmania, and likewise on my right, Sean Terry, the executive director of that wonderful organisation. I will introduce the other members who may or may not be called at the appropriate time.

CHAIR - Or could be flying papers across from the back.

Mr BARNETT - Yes, of course. So, Chair, certainly at the start of the hearings I want to say the top priority and the top concern for Tasmanians at the moment is the cost of living, and electricity prices play a key part of that. The current challenge in the national electricity market is putting pressure on all jurisdictions and there's been the greatest spike on wholesale prices since the closure of the Hazelwood coal fired power station in 2017. So external factors like the retirement of coal, like the Ukraine disaster, the floods and events in Queensland and New South Wales, they've all driven up fuel supply costs and the wholesale electricity market. So we're doing everything we can to minimise those costs for consumers, Tasmanians and business, and we want to work together to make a difference.

I've spoken directly and also written the federal Minister for Energy, Chris Bowen, and also I'll be meeting with minister Bowen and other energy counterparts in just a few days' time. Of course, last July we had a 7 per cent reduction for residential customers and 11 per cent for small business, and since we've come to government, in real terms, an 18 per cent and 27 per cent reduction in respectively. The Budget itself supports Tasmanians through \$186 million in eligible concessions to help Tasmanians with their electricity bills. \$30 million for the Tasmanian Efficiency Loans Scheme, and of course keeping downward pressure on energy prices is a priority.

We monitor and respond regularly in terms of the electricity prices. We know in mid-June the Tasmanian Economic Regulator, the independent regulator, will approve the final standing offer. I want to make it very clear that Tasmanian government remains ready to assess any further concessions or support that may be necessary to provide them to address the cost of living issues.

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I'm focused on seeing that Tasmania can leverage our competitive strengths in wind and water, and to help grow our economy, create more jobs, put downward pressure on prices, and ensure energy security. Green hydrogen has the potential to be Tasmania's superpower, and certainly would create hundreds of jobs and millions of dollars of investment into our economy. I'm very pleased with the federal government's \$70 million to progress the development of Bell Bay as the nation-leading green hydrogen hub. Marinus Link, back to the nation, including early works for the redeveloped Tarraleah Power Station are certainly notable and they are progressing at pace with an historic agreement just a couple of months ago, again with the Australian government.

So climate change, six of the seven last years we've been zero net emissions in Tasmania. We are leading the way, leading the country, leading the world in so many respects. We have \$10 million in the budget for the replacement of fossil fuel boilers with renewable energy powered alternatives, including bio-energy technology. As part of the budget the government's investing \$800,000 over two years to implement the actions of the Tasmanian Renewable Energy Coordination Framework. That framework prioritises the actions necessary to coordinate the development and investment needed to grow our renewable energy sector sustainably over the next 20 years to reach our 2040 target going from 100 per cent to 200 per cent.

In conclusion, Chair, we certainly are building a sustainable, prosperous, 21st century economy based on competitive reliable clean energy. We know Tasmanians are facing cost of living pressures, and the government is working to do everything we can to support Tasmanians during the challenges that we have. We're seizing the potential Tasmania has with our renewable energy credentials. We're seizing that with both hands to attract more jobs, grow our economy, and to reduce carbon emissions to create a cleaner world. Thank you, Chair.

CHAIR - Thank you very much, minister. It was remiss of me not to acknowledge that we do normally have another member of our committee, the Honourable Jo Siejka, who is unwell today and sends her apologies.

Mr BARNETT - Thank you.

CHAIR - So thank you. I'd like to invite the member for Hobart, Mr Valentine, to commence the questioning in this area and then we'll go from there. I'll just have a look - we plan to have a break - we'll see how we're going, about 10.30, minister.

Mr BARNETT - No problem. Thanks, very much.

Mr VALENTINE - Minister, so can you outline why the appropriation for this output - this 7.1 Energy and Emissions Reduction Policy and Advice of \$2.9 million - is less than one third of the appropriation provided for in the 2021-22 budget paper, given it's four months of the original appropriation. So I realise that there's been a split and things have been moved to different departments, but there's only \$2.9 million and it really should - it's four months' worth, so it should be closer to \$4 million.

Mr BARNETT - Thanks very much for the question. Obviously it relates to RECFIT and then formally, as you know, the previous parts of RECFIT were across

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government. So we had Renewables Tasmania, part of state growth. We also had Treasury - parts of Treasury involved, and of course The Office of Climate Change and the Department of Premier and Cabinet. With respect to the specific questions on those numbers, I'll just see if Anton Voss, our CEO, would like to outline the difference between last year and this year.

Mr VOSS - Could you just repeat what page you're on there? You're looking at the budget papers, I'm assuming?

Mr VALENTINE - Yes, that's right.

CHAIR - That's where we get most of our information.

Mr VALENTINE - Page 294. It says \$2.9 million, okay? So if you look at last year's budget it was \$12.363 million. So obviously end of October is four months, you would think that in that line item you would see around \$4 million, but you only see \$2.9 million.

Mr VOSS - Yes. I'm not sure it aligns - it's not linear, I expect, between time frames of the 2021-22 year and the spend that's happened through that period. I don't think you can probably do just a straight estimation based on months divided by four and get the same number. I'm happy to follow up on that if you wish me to, but I suspect that's the answer. The transfer that came across to the Department of Treasury and Finance all came across, obviously, appropriately as it says in the footnote. So I suspect the difference there is, as I've said, the timing of how the funds have been spent and otherwise. It's not something you can do, I think.

Mr VALENTINE - No, that's okay. I think, in fact, it's \$750,000 more in the new budget, that's the next item, but anyway. So with respect to that part of the year can you give us an understanding of what sort of progress has been made with the Tasmanian renewable energy powerhouse and Tasmanian renewable hydrogen development fund for that part of the year? I know it's difficult because the year's been split, but we do have to try and apportion where the work's gone during that four months.

Mr BARNETT - I think if I kick it off and deal with the last part of your question first regarding the green hydrogen hub, and to indicate that we're very pleased with the progress on the green hydrogen hub at Bell Bay. I put on the record my thanks to all the key stakeholders involved at the Bell Bay advanced manufacturing zone, but also in my department and in the Australian department, and minister Taylor for the positive feedback that we've had and I'm very grateful for the historic signing of the agreement to progress Bell Bay as a green hydrogen hub for Australia.

So it's consistent with our renewable hydrogen action plan, and that is to be export green hydrogen to 2025-27. That's all in the plan. In terms of the commitment, that commitment was \$70 million from the federal government to be matched by the state government, and of course there's a lot to do. But it will be leveraging off what I said earlier, and that is our strengths in water, electricity, and of course Bell Bay having access to road, rail and port. It's an ideal location as a green hydrogen hub.

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I'm happy to pause there because there's a lot more that could be said about the green hydrogen potential, but it's got huge potential, we've excited about it and we're forging ahead, but with respect to the first part of the question, I'll just pass to Anton Voss.

Mr VOSS - Thank you, minister. I think that's right. We've been certainly very busy in the period in the transfer coming across as the minister said then, a lot of continues to be done on the hydrogen hub and engaging with a whole range of stake holders. You pick a whole range of things that the whole team's been working hard on, from the metro-hydrogen bus trial which has continued to progress. The team's done a fantastic job on some of the MOUs that you talk about as well, and had a number of international visitors coming down. The German ambassador for hydrogen, the German ambassador to Australia, we have had Fluxys from Belgium - one of the major gas distributors in Europe. So a whole host of things have been happening.

Mr VALENTINE - With respect to the transfer across to the different department, is there anything that didn't translate straight across and went somewhere else? Like emissions, for instance. Did that go to climate change and not stay with the rest of that previous line item?

Mr BARNETT - I will pass to the CEO shortly, but it was entirely consistent with the former premier's vision - together with my support and the Government's support - to pull it all together so that we had a cross-government understanding and network. So, climate change came out of DPAC, Renewables Tasmania out of State Growth, which is dealing with the major projects - and of course, Treasury, which deals with the electricity prices and very good analysis and assessments are undertaken. That is all in there as ReCFIT, headed by Anton Voss, who can outline it further, and perhaps explain how the transition has occurred - and yes, we have pulled it all together - and maybe he can just outline a little bit more about the process.

Mr VALENTINE - Just for clarity, I am saying 7.1, moving across to the 5.2 line item. I am not talking about other aspects. I am just talking about that line item. So, going from Energy and Emissions Reduction Policy Advice, across to Renewables, Climate and Future Industries.

Mr VOSS - That particular item is State Growth, and Sean Terry was obviously heading that area previously. So, that entire team transferred across to ReCFIT. So, ReCFIT was established -

Mr VALENTINE - The work stayed the same, basically. It is just under the -

Mr VOSS - Correct, 31 October we took that team in, as the minister said.

Mr VALENTINE - That is what I wanted to know.

Mr BARNETT - Can I just quickly jump in. When you say work stays the same, it is a more coordinated approach and a more comprehensive approach across government. That is what we were trying to do.

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Mr VALENTINE - That's fine, I understand that. The Basslink outage cost: the court decision was that we would receive \$7.2 million for costs, and \$1.4 million in interest, which was to be repaid by the Basslink owners. Where that has been distributed, can you let us know where that money actually went in the Budget?

CHAIR - Has it been received is probably the first question.

Mr VALENTINE - Okay.

Mr BARNETT - Which funds are you talking about?

Mr VALENTINE - Well, there's \$7.2 million and \$1.4 million interest in costs were awarded, I believe?

Mr BARNETT - What page are you on? We might get clarity on that. It's really important. There have been some legal proceedings.

Mr VALENTINE - Mr Terry says there was an award of \$7.2 million to the Government and \$1.4 million in interest, and I'm just wondering where that money went. Was it State Growth or was it Hydro? Where did it go?

Mr BARNETT - As I say, it's a legal matter. There have been proceedings, and there are still proceedings. There are still matters that are sensitive when it comes to Basslink. But in terms of amounts owing, the state is owed around \$47 million as a result of the arbitration outcomes, plus interest and costs, giving a total of \$48.8 million. So, I will pass to Anton Voss for the status of those funds.

CHAIR - And again, the question is, has any money been received?

Mr VOSS - No, that money has not been received. We are still in an arbitration dispute around the funding. The dispute continues. There is a dispute between the receivers and ourselves before the federal court at the moment. As the minister says, it talks more about Basslink and the current status, but we just need to be a bit cautious because it is before the federal court, and there's also potentially a sale process that will be run by the administrators as well.

Mr VALENTINE - If it's still before the court, I can appreciate that entirely. I don't have an issue with that. But I thought it had been paid, and I was just interested to know where those funds went, whether State Growth or Hydro receives it.

With respect to gas pricing, do you want to deal with that under this line item or the next?

CHAIR - We might leave that to the next one, to 5.2, if you don't mind, because I had a question on this area from Ms Howlett and then Mr Willie.

Ms HOWLETT - Minister, could you please provide the committee with an update on Tasmania's energy situation?

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Mr BARNETT - Yes, I can. Energy security is very important and I keep an eye on that - not just as minister but as a government, and Sean Terry on my right has an important role in assessing energy security on an ongoing basis.

So, 31.9 per cent was the storage at the end of May. It's 12.6 per cent above the high reliability level and 3.6 per cent above the prudent storage level for May, at the end of summer, and even after the historically low April-May period. So, the energy security risk -

CHAIR - We can thank Mother Nature for that.

Mr BARNETT - Yes, that's noted, and of course it goes up and down, but have to monitor it and manage it carefully. We set up the energy security risk response framework as a result of legislation, by way of amendments to the Energy Co-Ordination and Planning Act 1995. They are working effectively; it's working well. We recently updated our energy security settings to better reflect the increased availability of renewable energy resources in Tasmania. I'm talking of the Cattle Hill Wind Farm and Granville Harbour on the west coast in particular, which has given us improved energy security.

So, under that framework, the water storages of Hydro Tasmania are monitored by reference to a prudent storage level and a higher reliability level. If storage levels were to fall below those levels, an escalating series of actions would be taken to ensure appropriate planning and actions to restore adequate water storage levels. So, intervention would seldom be required. The Government heightens its monitoring and coordination activities when energy security risks increase. As I've said, we've improved energy security with the Granville Harbour and Cattle Hill wind farms coming on. But the review also considered up-to-date inflow assumptions, and the role of gas-powered generation has played in recent years. So, all that is part of the story. And we still have the Tamar Valley Power Station available to play a role, should any energy security challenges be placed before the state.

A copy of the annual review by the energy security monitor and assessor, Sean Terry, is also with the Tasmanian Economic Regulator and is published on the regulator's website. We try to be open and transparent about it, but if you have any further questions about those matters, the energy security monitor and assessor is sitting on my right.

CHAIR - Thanks. Mr Willie?

Mr WILLIE - I want to pick up on a few things the member for Hobart was asking about. On 10 February this year, you announced Hydro Tasmania terminated the Basslink services agreement, and since November last year, Hydro has been negotiating with the receivers about an alternative commercial arrangement. I'm interested in whether that has been negotiated, and if not, what assurances does Hydro Tasmania have that Basslink will remain available for export and import?

Mr BARNETT - Thank you for the question. Just to confirm, this is obviously budget Estimates, not a Hydro Tasmania inquiry today, but we can provide assistance

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to the committee at a higher level and indicate the sensitivity of some of these matters in and around Basslink, as was advised earlier.

CHAIR - We are in policy and advice.

Mr WILLIE - And you are the minister.

CHAIR - And the member has a valid question.

Mr BARNETT - That's right, and that's why I'm responding through you, Madam Chair, to the member, noting the sensitivity of these matters, as my CEO has indicated.

The state and Hydro Tasmania remain actively engaged in the Basslink receivership and administration process and it's consistent with our decision of November last year, as the member indicated, and it's there to progress our legal right. We make no apology for ensuring that our legal rights are protected because we're acting for and on behalf of the people of Tasmania.

Our actions follow the 2020 arbitration concerning the 2016 major Basslink outage which found in our favour, confirming the link cannot meet the capacity requirements set out in the Basslink Services Agreement and that the owner of Basslink should pay compensation to the state. So, the state and Hydro took further steps to progress our legal rights in February 2022, terminating the Basslink intercreditor agreement and Hydro Tasmania terminating the Basslink Services Agreement which was alluded to in the member's question.

The former Basslink receivers are challenging those actions in the federal court, so I'll naturally be limited in the observations that I can share with respect to those matters. These actions have not and will not impact Tasmania's energy security. At the time, there are no commercial arrangements in place between Basslink and Hydro Tasmania. But Basslink has been making its capacity available on a similar basis as when the BSA was on foot and has been earning its income from the market operator for transporting electricity between Tasmania and Victoria.

So, just to conclude to assist the members, Basslink's administrators have proposed, and we have supported, extending the period of administration to enable a competitive process to be established for potentially recapitalising the business, which was alluded to by Anton Voss just a few moments ago. Our objective is to see the link operated in a sustainable and safe way by a competent and well-resourced operator and to have our legal entitlements paid in full.

CHAIR - If I might, minister, you've extended it that administration period. Do you intend to further extend that, if needed?

Mr BARNETT - I'll pass that question to Anton Voss because I think he might seek to clarify the status of the administration.

Mr VOSS - Yes, the administrators sought federal court approval to extend it, so it's -

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CHAIR - It's out of your remit.

Mr VOSS - Yes. They've extended that for around six months or so, and that's largely so they have an opportunity to go through a potential sale process of the asset.

Mr WILLIE - So it's been extended for six months. Do you have a date? Just while you're looking for that date, so there's an assurance for six months while it's in this extended administration period that Basslink can continue to operate for export and imports -

CHAIR - The member is very quiet this morning.

Mr WILLIE - So it seems like there's six months where import and export can still happen. Post that, there's no assurances?

Mr VOSS - No, sorry. Can I deal with the -?

Mr WILLIE - Through you.

Mr VOSS - Through you. Just on the date, so the extension is to 15 November.

Mr WILLIE - 15 November, yes.

Mr VOSS - That was a six-month extension. As I said, that's to allow them to do a competitive process on the sale.

With regard to your comments about the link operating, as the minister said, the link is now -

Mr WILLIE - There's no service agreement.

Mr VOSS - Yes, there's no service agreement. It's now operating as a market, or a Managed Network Service Provider, MNSP. As the minister said, it gets its funds now through AEMA [tbc] and through the difference between the Victorian and Tasmanian wholesale prices. It has its own revenue; that's how it is operating. We don't need to have a contract between the state Hydro or otherwise. They can choose to operate that way. So, there's no risk to energy security. The link will continue to operate on the basis of it operating as an MNSP.

Mr WILLIE - All right.

Mr BARNETT - So there's no question about energy security and the ability to continue to sell and buy electricity across Basslink. That's not a concern for Hydro Tasmania and the Government's confident of energy security going forward.

CHAIR - Minister, you talked about cost of living pressures and the quantum of subsidies that the Government provides, but obviously all Tasmanian households would be feeling cost of living pressure. Are there any thoughts around what subsidies might be given to all Tasmanian households in regard to the cost of living cost of pressure?

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Mr BARNETT - Yes, the cost of living pressures for sure, and I thank the member for the question. Be assured this is at the forefront of the Government's mind because it's at the forefront of Tasmanians' minds, consumers and business. It's not just support that's provided for concession card holders, of which there are some 90 000-odd Tasmanians in that space, we're talking about all Tasmanians. The Government stands ready to consider support for concession card holders and other Tasmanians. We're considering those matters very carefully. We're monitoring the situation very carefully.

I'm meeting with the federal minister for Energy in just a couple of days' time together with my state and territory counterparts, because this is clearly a national issue. It's impacting Australians across the country.

CHAIR - There are a lot of households that are they're just a tiny fraction over what the threshold is to be able to apply for concession relief in a lot of areas, and obviously electricity and power supply is one of them. Certainly, that next level up is very important.

Mr BARNETT - Yes.

Ms ARMITAGE - Particularly independent retirees as well, who we find are struggling because they don't get many of the benefits associated with a pension, but their investments are so low now. I've heard from many that they feel they're worse off than if they were receiving a pension, because if they were, they'd be getting many concessions that they don't get.

Mr BARNETT - Yes, we've certainly had that feedback, through you, Chair, to that point. It's absolutely correct that there are cost of living pressures, not just electricity, but across the board, and this is impacting across the country. It's very serious and we're having high-level discussions, as I say, on Wednesday. But it's at the forefront of our minds. Of course, if we look at the past since 2014 and we think of last July where there was a 7 per cent reduction for residential customers in regulated electricity prices and an 11 per cent reduction for small business.

So that's July last year, thanks to our Government's energy policies, and since coming to government, an 18 per cent reduction for residential customers in real terms and 27 per cent reduction for small business. In normal terms, that's a bit over 5 per cent for residential customers and 15.8 per cent for small business.

Notwithstanding that, right here, right now, the war in Ukraine, the coal coming off faster than perhaps was expected has caused serious issues for electricity prices across the country. We stand ready to respond with further support for our concession card holders and other Tasmanians, depending on the circumstances, knowing that in just a week or two's time, the independent Tasmanian Economic Regulator will make a price from 1 July that will be effective for residential customers and small business going forward.

CHAIR - Given that Tasmania doesn't rely on coal energy to generate its power, I expect the Government is really focused on Tasmania looking after Tasmanians first and foremost? Would that be correct?

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Mr BARNETT - That's always our priority; to look after Tasmanians. That's at the front and centre, and hence the downward pressure on electricity prices since we've been in government. We had three years of course where we had a CPI cap on electricity prices through to 2020-21. Last year we saw a reduction in electricity prices.

Right here, right now, it's very challenging across the country, and there is always a flow-on effect through to Tasmania and we'll do whatever we can to consider the relevant support for concession card holders in Tasmania, and all Tasmanians.

CHAIR - That's good news for all Tasmanians. I hope that makes a headline tomorrow.

Ms ARMITAGE - I'm not sure whether the member for Hobart mentioned this, because I was getting my other questions in order.

CHAIR - No, we haven't actually left that yet.

Ms ARMITAGE - No, still on the first one.

Mr VALENTINE - It's all right, it's just the questions seem to go that way. It's all right.

Ms ARMITAGE - No, that's right. It was just the ABC mentioned on 2 June with regard to Tasmanians being told to brace for the biggest electricity price hike in a decade.

CHAIR - Not going to happen, we just heard it.

Ms ARMITAGE - Well, I know, but its energy consultant, Mark White, is expecting a regulator price rise of more than 10 per cent and is calling for state government intervention to keep it in the modest five to 10 per cent range. I'm just thinking well let's just quash that if we can. It goes on about Tasmanian Economic Regulator sets - well, we know the standing offer. So, minister, the question is, as you'll see, the wholesale price is largely determined by Victoria's wholesale rate as well as inflows into Tasmania's hydro system. Can you just advise us with regard to the ABC report that it won't be a 10 per cent increase?

Mr BARNETT - What I can say is that's an independent assessment by the Tasmanian Economic Regulator and that's what they do, that's their job. On the mainland, there have been some very substantial increases, so between 12 and 18 per cent, for example.

Ms ARMITAGE - Eighteen point three, yes.

Mr BARNETT - Yes, that's correct. We have some very substantial headwinds which we are facing across the country and that's why we have an energy minister's meeting on Wednesday, and I've spoke to the federal minister last Thursday, and we'll have further discussions independently as well. I must say they're very cooperative discussions and I congratulate him on his appointment, Chris Bowen, and look forward to working with him in a collaborative positive way to benefit all Tasmanians. The answer is yes, we're facing headwinds, the Economic Regulator will decide. It's normally about mid-June; second or third week of June, and that's a matter for the independent regulator. The government is monitoring this matter very carefully. We're looking at the mainland, not just Victoria prices, and the flow on effects to Tasmania. We will do everything in our power to ensure that we can respond appropriately to the cost of living pressures when it comes to electricity prices.

PUBLIC

Ms ARMITAGE - Can I just ask one last question on this, and tell me, Chair, if it's not in this area. With regard to the app, and I'm hearing all the time about there is actually a cost, obviously, to the app.

Mr BARNETT - Yes.

Ms ARMITAGE - Now, has the government looked at perhaps removing the cost because - obviously that would be useful for hydro, the more people that use it but, of course, I've been told that many people don't use it because of the actual cost associated with it, particularly in struggling times. You know we're going to a society where people have more apps and things on their phones and the usefulness of it but there is, I believe, a charge. I personally don't have an app so I'm not overly clear about it but I understand there is a charge for using it.

Mr BARNETT - Yes, thanks very much for the question and if I can just put a little bit of context around this - because this has been quite topical of recent weeks and months. There're some 37 600 Tasmanian customers on the aurora+ app and they use that. It's providing customers with the ability to manage their electricity costs in an appropriate, sensible way to assist them to be cleverer about how they use -

Ms ARMITAGE - To see what they're using and when they use it, yes.

Mr BARNETT - Yes, about how they use their electricity and different appliances at different times of the day. It's a very clever app and provides that support, particularly for residential customers but we have solar customers and also small and medium business customers. So, following the release of the independent office of the Economic Regulator's final price determination for 2022 - so that we at the end of April - our government requested Aurora Energy to not include the cost of delivering aurora+ to Tasmanian customers from its total cost to serve from 1 July this year when it makes its final tariff submission to the regulators. So, we made that call on Aurora Energy. What it means is that Aurora would not proceed with implementing the aurora+ element of the total cost to serve as outlined in the Economic Regulator's determination. Meaning those Tasmanians who do not use the service will not pay for the product in their bills from 1 July.

Ms ARMITAGE - Well, if you don't use it, you shouldn't pay for it.

Mr BARNETT - Yes, so that's why we stepped in and made that call, because there was going to be a slight increase across all users and we said to Aurora, look, just put that on hold for 12 months and we think those that are using it can -

Ms ARMITAGE - So it's only on hold for 12 months; so that if you don't use it, you're still going - after 12 months, you're still going to paying a portion -

Mr BARNETT - No, we've said we will review this over the next 12 months and Aurora, of course, will need to review it as well. We want them to engage positively with the community to promote the benefits of the app. Because there are a lot of benefits to the app if you can use it and you can use your electricity wisely using different appliances in your home at different times of the day, it can really help to keep the cost down. Aurora, over the next 12 months, will be doing more promotion, publicity, education and awareness with respect to the app.

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CHAIR - Some people don't actually have reliable internet service though to be able to even use the benefits of an app.

Ms ARMITAGE - No, but would it not be of more benefit - and I understand the money that would go into advertising, but to actually - instead of - and obviously I don't believe they should be charging people if they're not using it, across the board, regardless of 12 months -

Mr BARNETT - I don't think they should be charging people full stop.

Ms ARMITAGE - No, and that's my question. If they're going to try to encourage people and it is making people more aware of what they're using, would it not be a sensible option, rather than just taking the charge away from those that don't use it, which I think is a no-brainer because I didn't realise that I might have been paying for something I wasn't using, which I think is pretty poor, but the fact that those that do use the app and it is encouraging, it's teaching them, would it not be wise for 12 months to give that free? Or could they not be encouraged to give that free because I've heard many people say they'd like to use that and that they'd like to be more responsible and know what they're using but the cost of the app actually negates any savings they're getting because then they're actually paying for the app as well.

Mr BARNETT - That's right. I understand where you're coming from and you make some really good points.

Ms ARMITAGE - Well, for people that are struggling, it would assist them.

Mr BARNETT - Yes. You make some really good points and these are the sorts of things that we discuss with Aurora Energy on a regular basis. Because we want Tasmanians to be able to have the cost of living pressure going down -

Ms ARMITAGE - It's sounding like a really good reason to get solar power.

Mr BARNETT - Yes, well, I think there are benefits and you can use it effectively in your own home. The app has so many different benefits and we want Tasmanians to understand those benefits and be able to use it appropriately.

Ms ARMITAGE - Absolutely, so make it free.

Mr BARNETT - But at the end of the day, somebody still has to pay for the app.

Ms ARMITAGE - Well, we're paying anyway and we're not using it. You were just saying, Minister, with respect.

Mr BARNETT - All I'm saying is that we're looking at this very, very seriously and carefully and I appreciate where you're coming from, and so it's an issue for Aurora Energy as it is as much for the government.

Ms ARMITAGE - Can you just tell me the cost - sorry, I just wonder what the cost of the app is because I have never used it.

Mr BARNETT - Well it has been \$40 a year.

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Ms ARMITAGE - Right, okay. Thank you.

CHAIR - Thank you. Supplementary on the app.

Mr VALENTINE - You were just asked about the cost, and that's for the app, but what was the cost to actually develop it? That's the first thing. If you could answer that.

Mr BARNETT - Well, that's a matter for Aurora Energy.

Mr VALENTINE - Aurora, yes. Okay, so the question is, from a policy perspective, if the information's already there in the system and customers can get that information, it's just had to go through a forms based system, which is obviously an expensive exercise for Aurora, to handle all forms associated with it, so, if in bringing in the app you're actually saving staff money, why wouldn't the app be free?

Mr BARNETT - When you say saving staff money -

Mr VALENTINE - Well, you're saving the bother of staff having to deal with the forms based system to provide people with the information that they want. From a policy perspective, I would have thought that it might be something that you would work with Aurora to provide to people for nothing because Aurora's saving money by going to the app. It's not like, yes, they're got to recover certain costs for the development of it, or at least account for them, so why wouldn't it be fair and reasonable, from a policy perspective, to give a direction that says, you know, provide this for free, it's going to help people out there to be able to manage their electricity usage, and they're saving staff time anyway.

CHAIR - And \$40 a year.

Ms ARMITAGE - What a good news story, minister, that could be for you.

Mr BARNETT - Thank you very much for your feedback and advice. It is greatly appreciated and be assured that we're working with Aurora Energy to make the aurora+ app more accessible to all Tasmanians. I think I've made that clear with my message in terms of getting it out and about so that people can actually make use of this tool. Just more tools in the toolbox to manage your electricity wisely and cleverly at home, using it for certain appliances at certain times of the day to keep the cost pressures down. So that's a very good objective.

I do appreciate the feedback, and be assured we are working with Aurora Energy to do everything we can to keep the cost of living down. It's at the forefront of our minds, as I indicated earlier, but all the points you've made are most valid and I appreciate them.

Mr VALENTINE - Just something to keep in mind, minister, when you're talking with them.

CHAIR - Cost of living pressures.

Ms HOWLETT - Minister, could you explain how the no-interest loan scheme assists low-income Tasmanians to purchase energy-efficient appliances?

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Mr BARNETT - Yes, I can. The NILS scheme is a ripper. It works really well and is well appreciated, particularly by low-income families in Tasmania - vulnerable families. It works well. And I want to thank John Hooper from NILS and his team. They do a great job in making that available to vulnerable Tasmanians.

The NILS scheme - no-interest loans scheme - is all about reducing the cost of living, and was established in 2002. It provides individuals and families on low income with access to safe, fair and affordable credit to purchase energy-efficient appliances. I've seen them, I've been out there, and I've talked to vulnerable Tasmanians who have benefited from the use of these appliances, whether it be reverse-cycle heating, special energy efficiency washing machines, heaters, double-glazing, curtains. There are different things to keep the costs down and energy efficiency up.

It provides a subsidy of up to 50 per cent towards the purchase cost for new energy-efficient appliances. The program provides a no-interest loan through NILS Tasmania, and Aurora Energy is partnered with NILS. Thanks to Aurora Energy for offering the energy saver loan and subsidy program since 2015.

And recently we've doubled the funding as a government - so we've gone from \$1 million to \$2 million over the next four years. That certainly provides that much-needed help for low-income families, helping them improve their energy efficiency and lower their power bills.

As I say, a big thanks to John Hooper, CEO of NILS. This is what he said last year on 26 August:

Already in seven weeks of this financial year, the government support has meant that NILS Tasmania has assisted 104 families to warm their homes with a brand-new half-price heat pump. Our clients then paid back the loan at a maximum fortnightly payment of just \$40. No interest, no fees, ever. This scheme enables financially vulnerable Tasmanians to save on energy and get a much-needed appliance. They are incredibly grateful for the subsidy scheme, and they told us through their comments in our recent client surveys, 'what a great outcome and one that the government can rightly be proud of'. With this new investment we can keep the program open to Tasmanians for the next four years and make a real difference to the cost of living pressures.

Ms HOWLETT - That will certainly help.

Mr WILLIE - Minister, are you finally willing to admit that TasNetworks is making 300 jobs - or one-quarter of its employees - redundant?

Mr BARNETT - Thank you for the question. I think this goes to the TasNetworks transition.

CHAIR - Which they've done previously, and then had to rehire everyone too, minister. I know that for a fact.

Mr BARNETT - Yes. Let's just respond to the restructure, which I think you're alluding to. We do know the electricity market is changing dynamically. All our organisations need to be fit for purpose, and TasNetworks is no different. As a government business enterprise, on your behalf, on behalf of me and all Tasmanians, it needs to be fit for purpose, efficient, and

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best positioned to grasp the opportunities ahead - and of course, keeping power prices down is a top priority. It's undergoing a transformation and review, and is working closely and openly with the people in its organisation. It needs to be working to adapt roles for their staff as this continues, to minimise any impact on staff as a result.

So, as a Government, we expect TasNetworks will manage any change through adapting roles for staff within the business, and if necessary through natural attrition - and, only if required, voluntary redundancies. There will be no forced job losses.

I want to make it very clear there will be no forced job losses. I know the member for Franklin, Mr O'Byrne, has been promoting this, and I don't want to see ambit job numbers put into the public domain as an attempt to scare Tasmanians. That's not appropriate and I don't support it.

Mr WILLIE - Minister, you just said TasNetworks has been quite open - and it seems to be the case that it's openly telling employees and stakeholders that it is reducing its staff from 1200 to 900. Why aren't you being open with Tasmanians?

Mr BARNETT - Well, you can provide any evidence you like. I can only respond on behalf of the Government to say that TasNetworks' objective is to be fit for purpose, efficient and provide the services that are necessary. I have said at all times there will be no forced job losses. I've said it twice, and I will say it again, and voluntary redundancies should be only if required. I've made it very clear, and I hope that assurance is accepted by the committee, that there will be no forced job losses.

CHAIR - But if there is to be a reduced workforce from 1200 to 900, there are going to have to be job losses. I mean, anybody can work that out. There may well be not enough voluntary redundancies, and so people will be asked to move on.

Mr BARNETT - Well, if that's a rhetorical question, I would disagree with it. We expect TasNetworks to be fit for purpose, to be efficient, but we do know they have to adapt the roles to the relevant changes in the electricity transition that we're going through, which is very rapid. But I am advised, and we expect, TasNetworks to manage any change through adapting roles for staff within the business and, if necessary, through natural attrition - and, only if required, voluntary redundancies. And I've made it very clear there will be no forced job losses - and we've made that very clear to TasNetworks.

You just need to get clarity from the member with respect to the figures that he is using - just using figures out of the blue? I don't know. But in terms of forced job losses, there will be none.

Mr WILLIE - Well, minister, this is your chance to clarify. Have you been provided advice on the number of job losses that will occur at TasNetworks?

Mr BARNETT - In terms of the advice that I get from TasNetworks and the Government, and the advice that we provide them, I've made it very clear that if natural attrition is required that is understandable, and if voluntary redundancies are required, that is understandable, but there will be no forced job losses. We've made that very clear.

Mr WILLIE - You're not disputing the figures that I'm speaking about, minister?

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Mr BARNETT - These are figures that you've come up with. They appear to be ambit job numbers that you're simply floating.

Mr WILLIE - I'm giving you an opportunity to clarify.

Mr BARNETT - I don't know where you got those figures, and I draw to the attention of the committee that we don't want to be in a position where certain members around this table are fearmongering or scaremongering.

Mr WILLIE - It's not fearmongering, minister. I'm asking you to be open with Tasmanians about the job losses at TasNetworks, and you're refusing to provide that clarity. That's up to you.

Mr BARNETT - I've been very clear. Obviously, if you have evidence that you want to put forward please feel free, but I would encourage you not to get into scaremongering or fearmongering and using ambit claims to do that. I'd encourage you to accept the advice that there will be no forced job losses. We expect TasNetworks to be fit for purpose. It's going through a transition, and where necessary - and only if required - voluntary redundancies will occur.

Mr WILLIE - Just one last question please, Madam Chair. From 1200 down to 900 is job losses, and given the investments that you claim to be making in building Marinus, pumped hydro, new wind farms, how is it sensible to reduce the workforce of TasNetworks?

Mr BARNETT - Where did you get the figures?

Mr WILLIE - TasNetworks is openly telling their employees and stakeholders. You're not being open.

Mr BARNETT - Well, I've been as open as I possibly can be, and I've said using that using ambit figures – that appears to be what you are doing – is a form of scaremongering and we don't support it. What I have said very clearly is that TasNetworks needs to be fit for purpose, needs to be efficient. There's a massive transition in the energy sector across the country. We all know that. It's accepted. And if there are any requirements for the change in the business and adapting those roles in the business, that should be through natural attrition and, if required, voluntary redundancies. But be very clear there will be no forced job losses.

CHAIR – Thank you, minister. You will, I expect, remember a number of years ago when Aurora did exactly this and reduced its workforce considerably. And of course, then they hired contractors to be the maintenance crew. That didn't work out and they had to rehire people who had received a redundancy because, particularly when there was storm or a significant weather event, they had no idea where the lines were and where the breaks were. They had to get local people back into the system so that they could have an efficient repair program. Do you recall that time? It appears to me they're going down the same track as we have been down before.

Mr BARNETT – TasNetworks is a type B dealing with our transmissions.

CHAIR – But it's still our transmission lines.

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Mr BARNETT – Aurora Energy is one of our half-a-dozen retailers in Tasmania. It's the government-owned retailer, Aurora Energy. Of course, they need to always adapt to the circumstances. We must remember that we're acting on behalf of consumers to keep the price of electricity down wherever possible. So, they need to be efficient, lean and fit for purpose. That's a priority.

CHAIR – But we also need to have a timely service delivery. If the power goes off and you're milking a herd of 1200 cows, it's not very efficient to be doing it at 2 o'clock in the afternoon instead of 6 a.m.

Mr BARNETT - I agree with you, Chair.

CHAIR – Obviously there's no answer to that but I suggest that somebody takes that onboard fairly quickly.

Ms HOWLETT – Thank you, Chair. Minister, could you please provide an update on the development of a green hydrogen hub at Bell Bay.

Mr BARNETT – Yes, I can. The update on the Green Hydrogen Hub Project at Bell Bay is very encouraging. There's an historic agreement that's been promulgated and supported by the federal government. So, I thank you to the former minister, Angus Taylor, for his support, encouragement.

CHAIR – The current minister wasn't very complimentary over the weekend with his views about the former minister.

Mr BARNETT – Okay. I'm saying thank you to both the former minister and the current minister for their support. I spoke to Chris Bowen as well and certainly, we look forward to further discussions regarding the hydrogen hub for Tasmania, which is a green hydrogen hub based at Bell Bay. We have secured the \$70 million, which is what we were on about. We, Anton Voss and his team and across government put a lot of time and effort into this, working with the key stakeholders to get the job done. We have put in the application; we have secured the funding.

Bell Bay is now a green hydrogen hub for Australia, and we believe that green hydrogen is the best of the best. It's not blue hydrogen, made from gas; not brown hydrogen, made from coal; it's green hydrogen, made from Tasmanian clean green electricity. The three ingredients to success in this case is water, electricity and then infrastructure, road, rail and port. We have it in spades at Bell Bay. It's an excellent location. Of course, we have the proponents, as in Fortescue Future Industries, Woodside Energy, Origin Energy, and also Able Energy, and, indeed, others.

You've recently heard about line hydrogen and their interest as well. I want to make it very clear; we are fast working on our international engagements. Just last week I met with the Innovation Commissioner for Green Hydrogen, from Germany. They are into it in a big way. They know what we have. They are keen on it because it's based on our low cost, reliable, clean electricity that can access green hydrogen. It's Tasmania's next superpower, as in green hydrogen. We can deliver this not just to Tasmania and domestically across Australia, but to the world. And we have plans to export it from 2025-27. We're on track with that.

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There's a lot of work still to do but I just want to say thank you to all those involved as the key stakeholders. It's consistent with our Tasmanian Renewable Hydrogen Action Plan, which we released some years ago, that set the vision through to 2040. We are on track but there's a lot more work to do. We delivered the \$50 million incentive program just a few years ago to attract investment. We've got \$2.6 million expended on feasibility studies to support large-scale green hydrogen projects. We have got RecFIT working hard with the Office of the Coordinator General on a whole range of action and activities to help create and establish the green hydrogen hub at Bell Bay.

Ms HOWLETT – Just to your point there, is there any discussions on international connections there?

Mr BARNETT – Yes. With the international connections we have two MOUs already in place. One, with the Port of Rotterdam, which is in the Netherlands. That's the largest port in Europe. They want an agreement with Tasmania to share information on the supply chain and how we can manufacture green hydrogen and then ensure that the supply chain reaches all through to Europe. And then likewise with Belgium. And we've got the Flanders region. Obviously, Flanders is very important to Tasmanians with the Anzac memorials. I have signed an agreement with my counterpart with that. It's a provincial government in Flanders in Belgium. They are keen to build a relationship with Tasmania, which we are doing. Anton and Sean could add to that. I'm very pleased with the support we have there.

And now we are looking at an MOU with Bremen in Germany, which is, again, another provincial government. Germany is in a very important place. They rely on a lot of gas from Russia but it's not going to continue, so they are desperate for our hydrogen. They are very keen on green hydrogen. I had never met before a commissioner for green hydrogen. I had met plenty of representatives and ambassadors and representatives for hydrogen, but they want the green hydrogen. We have green hydrogen. We are in a very good place to ensure that we can manufacture green hydrogen that will benefit Tasmania.

And we've got the Metro bus trial that's underway. In terms of getting that off the ground, we want green hydrogen. We're looking at the feasibility of using it in heavy transport, as in in trucks, and then likewise in marine vessels. So there's a real opportunity here in Tasmania, in Australia, and then taking it to the globe.

Mr VALENTINE – My question is about green hydrogen. I don't think anyone would deny what appears to be a very good set of projects that are running. The question is: if it takes so much electricity to produce this green hydrogen production in Bell Bay, how is that going to impact on the viability of a Marinus Link? If we're going to be using so much electricity for that, are we really going to have enough to be able to export as well through Marinus Link?

Mr BARNETT – Yes. Thank you for the question. The beautiful thing about Marinus Link is that it's complementary to green hydrogen, at the top of the list in the benefits is energy security. So, you will then have more opportunity to trade across Bass Strait into the main markets. The beautiful thing about green hydrogen manufacturing in Tasmania is, based on an independent report – don't take my advice – it's between 10-15 per cent more cost competitive. Why is that? Because in Tasmania you can have access to wind but then you can have therming from hydro, which is like the battery. So, when the wind is blowing, it's really good and cost competitive, very low-cost electricity; but when the wind is not blowing, what

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do you do? So in Tasmania, we've got this beautiful complementary nature of wind and hydro, which is the battery; turn the battery on and bingo you've got electricity.

So, it is more cost-competitive to build a green hydrogen hub in Tasmania, which is exactly what we're doing which is consistent with our strengths in water, in wind, and in infrastructure. The Marinus Link gives you further flexibility and that will open up the door to – and in fact unlock more renewable energy developments in Tasmania, particularly when it comes to wind and pumped hydro.

Mr VALENTINE – So the nub of my question is about the quantum which is needed to make these hydrogen projects successful. I think it was last year there was question about the capacity for the state to actually provide Fortescue Metals with the amount of energy it needed to be able to develop the green hydrogen hub. Have you done the sums there in terms of how much we can produce, and I say 'we', being on island's generation, whether it be private or public, and I've got questions about private if you've got to build in a profit margin all the time, as to how that reflects on pricing for Tasmanians. But anyway.

Have you done the sums to know whether this policy direction that's being taken with hydrogen can be, as you say, complementary; or, depending on how the contracts are written for Marinus Link, end up being a burden because we've got to end up being able to transport certain gigawatt hours across Marinus Link to make it viable. Do you understand where I'm coming from?

Mr BARNETT – Yes. I think you've raised some good questions and very valid questions for sure, and I think the first point is we are at 100 per cent now. We're going to 200 per cent.

Mr VALENTINE – I appreciate that.

Mr BARNETT – Well, it is appreciated, because we have legislated for it with strong support across the parliament, for which I am very grateful. That means we're on an upwards trajectory to grow our renewable energy prospects in Tasmania. So that's the first point, and I think the second point is we've got already another 1500-plus megawatts of wind generation in planning and environment stage assessment, with thousands more in feasibility.

In terms of wind, we'll see a lot more coming in. It's going through the planning and approval stage. In terms of green hydrogen proponents, they are looking at using hydropower to firm the renewables. As I say, they will come in, press the button, and you'll have access to hydro. It's called therming, and those discussions between the proponents and Hydro Tasmania of course are ongoing.

Of course, with regard to the wind proponents, and the best example, or one example I can give you is in the north-east, just 30 kilometres north of Bridport in the Bass Strait. They are looking at a thousand-odd megawatts in the Bass Strait, and I congratulate them on their vision and proposal. It's happening in Europe. It's happening in Europe; it's been happening there for decades. So Bass Strait is seen as one of the four best renewable energy zones in all of Australia. So Bass Strait is, obviously just north of island of Tasmania. We've got real potential to access that, as well as on island Tasmania.

CHAIR – Thank you. Ms Armitage, and then I'll go to Mr Willie.

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Ms ARMITAGE – Thank you. Just a question with regard to the green, and I notice there are a variety of different colours when you start looking up the hydrogen.

CHAIR – Blue, brown.

Ms ARMITAGE – Grey. So what's the cost? I've noticed it's two to three times more expensive than the blue hydrogen, the green hydrogen, particularly to produce. So what is the cost of cents per kilogram of producing the green?

Mr BARNETT – I'm not sure where that advice has come from. Obviously, it's –

Ms ARMITAGE – From the internet.

CHAIR – From then internet.

Mr BARNETT – From the internet, okay. Well, Mr Google doesn't always get it right. Mr Google doesn't always get it right.

Ms ARMITAGE – Several internet sites all say the same; that it is two to three times more expensive, green.

Mr BARNETT – I know, but they are looking at mainland renewable or green hydrogen, I suspect, because we have an independent report which says it is 10 to 15 per cent more cost-competitive in Tasmania. Why is that? Because we have the beautiful complementary nature of wind and hydro. They don't have that on the mainland.

Ms ARMITAGE – This report does talk about wind and water, actually. So can you tell me then the cents per kilogram, and then I could compare it.

Mr BARNETT – In terms of the detail, I can pass to either Anton Voss or Sean Terry.

CHAIR – Thank you. We haven't heard from Sean yet.

Mr BARNETT – I'm sure he's at the ready to assist the committee in his usual manner. But yes, we are very cost-competitive here, because when the wind is blowing, it's very cost-effective. When it's not blowing, we have access to hydro.

Ms ARMITAGE – It would be good at the moment, I'm quite sure.

Mr TERRY – Yes. Unfortunately, I don't have the answer to that question in terms of the details, but we can certainly follow it up -

CHAIR – We'd be interested.

Mr TERRY – In terms of the various comparative costs of renewably sourced energy versus fossil fuel sourced energy. What I will add though, a lot of the debate probably from the last – since hydrogen started being developed was around price parity with diesel and fossil fuels. That no longer seems to be as big a driver because of what's happening in northern Europe. Fuel independence and fuel security, as well as emissions reduction, are becoming just as important in people making their whole future energy plans.

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So yes, basically that kind of debate has now shifted, and as people kind of want to put more value on emissions reduction, fuel independence, fuel security, they seem to be willing to pay premium for the energy that is based on renewable energy sources.

Ms ARMITAGE – So the green would be more expensive, obviously, than the blue?

Mr TERRY – With gas prices at the moment, it would be interesting to do the comparison. I don't have the comparative information with me, but the dynamics has shifted quite dramatically in the last six months.

Ms ARMITAGE – But people are still willing to actually pay to get the green?

Mr TERRY – Yes, that seems to be the rhetoric that's come particularly out of northern Europe, and to a lesser extent, through south-east Asia. Now, whether that still gets the cost down to a level that is going to rapidly displace fossil fuels or gas, I don't know.

Ms ARMITAGE – They work the same, I'm assuming. Even though they're made by different systems, that they produce the same energy? The blue and the green, or the grey and the –

Mr BARNETT – There is a big push onto not be using brown hydrogen made from coal, I can assure you of that.

Ms ARMITAGE – No, I've said the brown and grey.

Mr BARNETT – All around the world. So it's fair to say, and I think Sean will back me up, that the green is seen as a premium. It's what customers want. In the ideal world, they are after green hydrogen. That's why I met with the Innovation Commissioner for Green Hydrogen from Germany, because they want green hydrogen.

Ms ARMITAGE – And it provides the same output though? They are all – regardless of the way they're made, they provide the same at the end.

Mr BARNETT – Yes, basically.

Ms ARMITAGE – Yes. So the green is not providing less efficiency at the end because of the way it's made? I'm not overly across hydrogen, but I'm trying to learn.

Mr BARNETT – No, that's fair enough.

CHAIR – Like most of us.

Mr BARNETT – Thank you. Through you, Chair, Anton Voss.

Mr VOSS – No. Yes, the output is the same. It's still the same commodity, but as Sean and the Minister alluded to, the demand for some of the other types of hydrogen, or how it's made, is definitely not in as much demand. I suppose the other thing that you also need to work through is the timing around this. So at the moment, there is not – despite all the talk about hydrogen globally, there's actually not that much being produced in significant scale to where

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it's going to go. So like any commodity, as more factories come on line, and so the hydrogen hub that they will go on, as that gets bigger the cost efficiencies get better.

Ms ARMITAGE – So it's more premium at the moment because there's less of it.

Mr VOSS – Yes. It's very clear, as the Minister said, in discussions with our off-shore counterparts who have come to visit us, one of the Sean's staff members, Kim Inkler, is here today. She was talking to people at a hydrogen conference the week before last about the premium for green hydrogen that people are willing to pay because they do want that premium product. As Sean said as well, the problem with doing a comparison between blue or brown hydrogen, it depends on where it is and it depends on the timeframe. So exactly as Sean said, if you're doing gas driven hydrogen right now in Australia, it would be much more expensive than it was a year ago.

Ms ARMITAGE – Thank you.

CHAIR – So the green hydrogen timeframe is around 2026? Is that correct?

Mr BARNETT – In our hydrogen action plan going forward we have targeted 2025 to 2027 to be manufacturing green hydrogen for export.

CHAIR - I was in the middle.

Mr BARNETT - Say again?

CHAIR - I said I was in the middle.

Mr BARNETT - You were in the middle? Yes, yes, but we plan to be producing green hydrogen before that; I'm talking about the export market. So we're certainly on track but there's a lot of work to do to get ready for that.\

CHAIR - Thank you. Mr Willie?

Mr WILLIE - Thank you. Minister, the export markets you have signed MOUs with are a long way from here. So we're going to be making hydrogen and putting it on a ship and burning fossil fuels to get it to those markets. Does the government have -

Mr BARNETT - Sorry, burning fossil fuels, sorry? What's your point about?

Mr WILLIE - Well a lot of shipping isn't using hydrogen or electricity for their fuel source.

CHAIR - Right.

Mr WILLIE - I'm just interested in the irony here. Is the government working with shipping so that we can deliver the green hydrogen using renewable energy sources?

Mr BARNETT - Thank you for the question, and I can see where you're coming from. So just a few things - I'll kick it off and then I'll pass it to Sean - we definitely are targeting obviously green hydrogen for export by 2025 to 2027 consistent with our plan, but we also plan

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to use this domestically in Tasmania and on the mainland. When I say that, we're already funding research into using green hydrogen in heavy transport, so trucking, mining and mineral processing area, manufacturing, and also the marine sector. So we've funded that, that work is ongoing and Sean can provide an update on it.

We've got funding support for up to three metro buses to be using green hydrogen. So, thanks to Metro Tasmania working with ReCFIT and others. We've also got the Blue Economy CRC that have international partners as well, and they are part of the MOU in terms of sharing research, education, awareness, what's happening on the mainland and overseas, with how we can manufacture and meet the needs of their green hydrogen here in Tasmania.

So I think you've asked some good questions and I appreciate where you're coming from. I'll ask Sean to add to that answer.

Mr TERRY - Thank you, minister. Yeah, we've been working on some supply chain analysis with our international partners, particularly the port at Rotterdam. They have done some initial analysis around destinations where they can source hydrogen from, and I think my recollection was Australia was one area. I think Chile, South America, was another area - and I'm just looking at my team - Middle East and Africa. Now what they've found is that the transport costs aren't a big determinate in their ability to source that hydrogen. So we're doing some further detailed work on what exactly that supply chain looks like - that's from Australia - but a bit more granular level, what it looks like from Tasmania to some of those export destinations.

So at the moment it doesn't seem to be a big determinant, international transport costs and where they source that hydrogen.

Mr WILLIE - Yes, well my question is more about the emissions getting it to the markets and whether the government understands when we may have hydrogen ships and other sources of energy to export green hydrogen. Because there is an irony here that we're making potentially green hydrogen in the state and then using fossil fuels to get it to markets a long way away.

Mr BARNETT - Yes. So if I can just again add - and I appreciate where you're coming from - Able Energy, one of the four proponents I referred to, they're looking at producing green methanol to be used for shipping purposes which again is very clever. Their plans are certainly somewhat smaller than Fortescue, Woodside Energy and Origin Energy, but they are keen to produce that for powering our shipping vessels. Now maybe Sean could add to that?

Mr TERRY - Yeah, you're quite right, minister. Yes, we are looking at options for low emission powering of those ships. I can't recall who it was we were working with, but we'd been developing a concept called 'green shipping routes'. Basically those shipping routes are dedicated to low emission marine transport.

CHAIR - TT line?

Mr TERRY - For you, minister?

CHAIR - It's a serious question.

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Mr BARNETT - Yes. No, I think we should be serious about that as an option going forward for the *Spirits of Tasmania* going forward.

Mr VALENTINE - If we want to grow the brand.

Mr BARNETT - Yes, thank you. I've had those discussions already with the Minister for Infrastructure, and going forward I think we should be absolutely open to that, and that's on the radar very much so. That should be noted. I was at a tour at INCAT, just about a week or so ago, and they were very interested in clean electricity - whether it be battery, hydrogen, electric - vessels going forward and they are looking at those matters very carefully as we speak.

Ms HOWLETT - So my question to follow up from that is, is it possible to change over the type of fuel that's used on the new *Spirits* to a hydrogen fuel?

Mr BARNETT - Well I think the timeframe is a bit tight for the new *Spirits*, from what I understand. But going forward in terms of use of - whether it be green hydrogen or a cleaner form of energy, that's certainly at the top of mind for the *Spirits of Tasmania* and of course the government more directly and the Minister for infrastructure.

Ms HOWLETT - But can you change the type of - like, that vessel, can it be converted down the track? I mean, you can convert a vehicle or a bus.

Mr BARNETT - Yes, yes. Again, I'm not the technical expert and I'll pass it to Sean, but it's not that easy to convert simply to green hydrogen. You know, there's the batteries and there's the ability to do that conversion. It takes time and there's a cost to that. But the shipping companies are looking at that very carefully. Maersk, for example, in Europe is one of the biggest shipping line in the world and they already have a number of electric propelled ships in my understanding and/or hydrogen propelled ships, or they are in the prototype. They are going through testing at the moment. So the shipping companies all around the world have got this on their radar, because they know that they're using fossil fuel at the moment to power their ships, which is to the point made by the Honourable Member Josh Willie. So, Sean, did you want to add to that?

Mr TERRY - Yes, I'll add what I can. So my understanding, the TT line, they are moving to a lower emissions fuel source. I think it's LNG is the current proposal. That's just because of the timing with the TT line replacements. So unfortunately hydrogen is not advanced enough to be able to use as the fuel source in those ships. On whether it's possible in future conversion I don't know.

CHAIR - Homework for you.

Mr TERRY - Yes. My guess is anything is possible, but -

CHAIR - At a price?

Mr TERRY - Yes, that's right.

CHAIR - At a price.

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Mr TERRY - But certainly they are moving to a lower emissions fuel source for the next TT-Line vessels.

CHAIR - Given that it's 10.20am, I would like to advise that we will now efficiently move to 5.2, which is Energy and Renewables, and I think we've pretty much wandered into there.

Mr VALENTINE - I've got some questions.

CHAIR - But I do like to keep all output groups covered, so we're at 5.2 Energy and Renewables, and invite the Honourable Member for Hobart to ask two questions, and then we'll move down the table.

Mr VALENTINE - Okay, so I'm interested - there's so many questions about it, I'll take my turn later, but I'll start with a couple. The first one being you were telling us last year that we have some of the lowest electricity prices in Australia, you said again this year that you were doing everything you can to minimise the costs on Tasmanians when it comes to electricity. So given the government's commitment some time ago to decouple from the National Electricity Market - and in fact it was signed off through parliament - why hasn't that occurred?

I can probably guess the answer, but why hasn't that occurred at this particular point in time, and wouldn't that step now have been quite a good thing given the rising prices across the nation and in particular Victoria? We could be setting our own price, could we not, taking advantage of our renewables and reducing pressure on families?

Mr BARNETT - Thank you very much for the question through you, Chair. As a government, as you know, our focus has always been about downward pressure on electricity prices for Tasmanians. In 2018, following our election commitment during a period of volatile mainland energy prices, the Government fulfilled its promise and effectively delinked from mainland wholesale market volatility through legislated, capped regulated power prices in the commercial and industrial rebate scheme. These measures ensured that wholesale impacts being experienced by mainland customers, particular in Victoria, did not immediately impact on Tasmania. That occurred over those three years, 2017, 2018 through 2019-20, mitigating the impact on Tasmanian customers and consumers.

Following that period, wholesale electricity prices stabilised. The Tasmanian Energy Regulator set prices: July last year, 7 per cent reduction for residential customers and a 11 per cent reduction for small business customers. We are now heading into headwinds with the historical coal coming off, the war in Ukraine. We've had other concerns. These unintended consequences will get lots of discussion with the energy ministers in a couple of days' time. Again, I thank the new energy minister, Chris Bowen, for leading the charge there on behalf of the country to consider all of that. But exiting the National Electricity Market is not on our radar.

Mr VALENTINE - Wouldn't it be perfectly timed now to do that?

Mr BARNETT - What it would do is erode confidence in the Tasmanian energy market and jeopardise some of the billions of dollars of investment in Marinus Link, renewable energy

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plans and projects, and certainly new wind energy. I think it would put at risk our green hydrogen plans as well. So, we've got a renewable energy -

Mr VALENTINE - In what sense, if you might? How does it risk the green hydrogen? Are you saying that we might need to import electricity?

Mr BARNETT - As I said before, Marinus Link gives you energy security and you need to have that flexibility, and green hydrogen needs the flexibility. It can have wind, but it needs access to hydro for therming to be cost-competitive. That's the complementary nature of that and so having flexibility is really important. At some stages on the mainland, there are very low electricity prices and so we actually import and then sell it back at a higher rate. That's how Hydro Tasmania makes some money.

Mr BARNETT - It sounds Irish to me.

Mr BARNETT - Yes, it may do, but at the end of the day, we own Hydro Tasmania, and we want to ensure that the return on funds invested is returned to the Tasmanian consumer. With our plans under renewable energy action plan to double from 100 per cent to 200 per cent by 2040, this is all consistent with our plans.

Mr VALENTINE - Okay. I've got other questions that would link to that, but I'll go to this one. Are you able to outline the extent to which progress has been made to meet Tasmania's 200 per cent renewable energy target? You said earlier 2040. Is that on track? Before someone calls me Dorothy with a question like that, I want to know the gigawatt outcome from both 2019-20 and 2020-21, and whether the targets for renewables of 10 545 gigawatt hours for 2021-22 will be met this year? Where are we at? Have those previous years been met? Give us the path.

Mr BARNETT - Absolutely, a very good question and good research done there to ascertain those numbers. I appreciate that.

Yes, we are on track from 100 per cent to 200 per cent in accordance with the legislation and the renewable energy target. In 2020, just to your point, Tasmania had sufficient capacity installed to be 100 per cent self-sufficient in renewable electricity, and the Government aims to meet that legislative target. To facilitate the target, we developed the Renewable Energy Coordination Framework to coordinate renewable energy development in Tasmania. We've got high potential renewable energy zones, and I can speak more about that shortly.

But in terms of the calculations, in 2020 Tasmania became 100 per cent in self-sufficient in renewable electricity. This calculation was based on an average annual consumption of 10 500 gigawatt hours, equaling expected average annual generation capability of 10 741 gigawatt hours. The 200 per cent target is to generate 21 000 gigawatt hours of electricity by 2040. I'll see if Sean has the other numbers to assist me. Hopefully that answers most of the questions.

Mr VALENTINE - Yes. I just want that split; 2019-20, 2020-21, and 2021-22.

CHAIR - I'll get to move that microphone, Sean. You seem to be not wanting to use it, but it's there for a reason.

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Mr TERRY - Just make sure I don't say anything by mistake. I'm not sure I will answer your question exactly. We have to report on the progress against the target. You probably saw some new performance indicators in our Budget Paper. I also, in my Director of Energy Planning Annual Report, have to report on progress. We're currently we're about 10,500 gigawatt hours of yield in our renewable energy. Our target is to double that, and 150 per cent by 2030.

Mr VALENTINE - 2040?

Mr TERRY - Sorry, that's doubling it by 2040. One hundred and fifty percent by 2030.

Mr VALENTINE - One hundred and fifty by 2030?

Mr TERRY - Yes. Because none of those windfarms have started construction yet, forecast energy is not in the system. There is a small increase, I think, for 2022-23 as a target; that's to do with rooftop solar. What I can say currently, we are using an AEMO report where prospective generators have to put their data about prospective windfarms into that system.

At the moment, that's sitting at about 2850 megawatts of new capacity, which more-or-less is our 200 per cent renewable energy target. If all those projects are realized, we'll achieve our target. Of course, they have to be commissioned and they are all in very early planning and approval phase. As we progress, and that new energy comes online, it won't be a kind of a linear actual against projects, they will be step changes. That's how we intend to report on progress against that 200 per cent renewable energy target.

Mr VALENTINE - We're halfway there. You say the next part will be achieved by 2030?

Mr TERRY - What, where?

Mr VALENTINE - Forty, sorry.

Mr TERRY - The number of projects we've got planned or feasibility or going through the planning approval will get us to our 200 per cent renewable energy target. There are quite a few other projects that we're not capturing at the moment, but we're using that as our source data, as our reference point, so we can accurately measure progress.

Mr VALENTINE - We will wait with interest next year and the year after and whatever. See how we go.

Ms HOWLETT - Minister, could you please provide the committee with an update on the delivery of the government's gas strategy?

Mr BARNETT - The gas strategy is very important, and we've been working with the stakeholders on this for some time. We've committed to developing our future gas strategy to better understand the role of gas in Tasmania over the next 20 to 30 years. Gas is an important ingredient for both industrial and domestic users, with more than a thousand businesses and more than 13 000 residential customers. We've been very proactive about this and the future energy security and future energy needs.

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The gas strategy working group was formed in November 2020. Sean Terry knows all about it because he has had a key role in that. It includes key industry and consumer representatives. The discussion paper was released in November last year for public comment. That was the first phase of consultation to understand the views of businesses, households and the community. There were 12 submissions received from a range of stakeholders representing the interests of household, industrial and small business consumers, gas infrastructure providers, environmental groups and investors. My department is currently considering that feedback, and then a draft strategy will be released for future feedback from stakeholders.

I expect the final strategy to be available this year. That's where we're up to at the moment, and I can provide a bit of an update on the national gas situation if the committee wants it at a later time. Thanks for the question.

CHAIR - Thank you. I think we'll go to charging stations and electric vehicles, which I know will warm the heart of the member for Hobart.

Ms ARMITAGE - I do have some questions, minister, about electric vehicles.

Mr BARNETT - That's in the climate change portfolio.

Ms ARMITAGE - I'm talking about hydrogen and electricity, that's all. So that doesn't -

Mr VALENTINE - Not part of your policy anymore, your group?

Mr BARNETT - Well, it's in the Minister for Climate Change's policy group portfolio for electric vehicles.

CHAIR - Well all right, minister Jaensch has had forewarning, then, for Thursday.

Ms ARMITAGE - Plenty of questions for him. Thank you.

Mr WILLIE - Minister, I'm interested in who benefits on the Marinus project. Obviously, there'll be a lot of jobs in the construction phase, but over the long term, what sort of employment can we see for Tasmanians from that project?

Mr BARNETT - Yes. Thanks very much for the question.

CHAIR - I know that warms your heart, minister.

Mr BARNETT - Yes, thank you. Marinus Link will deliver a number of benefits for Tasmania. Firstly, energy security. Secondly, downward pressure on electricity prices.

CHAIR - For Tasmanians?

Mr BARNETT - For Tasmanians and Australians - and I'll come to that; I know where you're coming from. It will certainly deliver jobs, and indeed thousands of jobs - 1500 jobs in terms of building construction, including in Tassie, and also in Victoria of course. And it will unlock more renewable energy developments in Tasmania - much of that wind and pumped hydro, and having access to pumped hydro. Lake Cethana is the first one coming off the track.

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In terms of those developments, there are expected to be some 2350 jobs, but over time there's going to be substantial job benefits. So in terms of your question, Madam Chair, I could see you leaning in there -

Mr WILLIE - It was my question.

CHAIR - Yes, it was actually from the member for Elwick. I'm supplementary.

Mr BARNETT - I'm happy to keep going, but there are a lot of benefits that will flow to Tasmania from Marinus.

Mr WILLIE - Yes. But my specific question was what sort of jobs can we see after the construction phase. I know you talked about other renewable projects, which is more construction jobs, but once we settle in to a long-term contract, what sort of employment can we see for Tasmanians?

Mr BARNETT - Well, once it's constructed, what it will provide, as I say, are the energy security benefits, and downward pressure on prices, which is very important to all Tasmanians and to all Australians.

To be more specific, it's not my say-so, but the Australian Energy Market organisation says that it will deliver \$4.6 billion in benefits to the national electricity market. That's why it is called an 'actionable project' in the integrated system plan that is due out within the next month or so.

So, in the draft plan that was released around Christmas last year, Marinus Link was an actionable project. That means it's right up the front as a priority project for the national electricity market. That's not just me saying it as a proponent, or others who are recommending it - the independent regulator sees there's \$4.6 billion of benefit for the national electricity market.

Finishing off the question about jobs, what it will do is power up our economy to ensure there's opportunity for development, jobs and growths, not just in the renewable energy sector, and it will certainly back our credentials as a renewable energy powerhouse. It will help us achieve the 100 per cent to 200 per cent. I think we're going to do that reasonably easily, and I think there's a lot more opportunity to grow that even further. And as a renewable energy powerhouse for Australia and the globe, it'll help deliver affordable, reliable and clean electricity.

The other thing about Marinus Link is that it'll deliver 140 million tons less of CO₂ from the environment. So in terms of delivering a cleaner environment and responding to climate change, Marinus Link is front and centre delivering.

CHAIR - Thank you, minister. I'm very interested in Marinus Link and the 'actionable project', as you called it. I'm interested in what negotiations are unfolding, and where those negotiations are with landowners between the Palmertson and Hampshire line, who are not excited about the upgrade of their transmission lines on their prime agriculture land. That's what I'm really interested in - what's happening in that space. It's really important, because without those transmission line upgrades, that puts the Marinus Link project at some risk, I expect.

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Mr BARNETT - Yes, thanks very much. I understand where you're coming from.

CHAIR - You've met with them as well.

Mr BARNETT - Those stakeholders have met with me from time to time and no doubt with yourself and others. I just want to say TasNetworks is progressing the north-west transmission developments. A key part of that is a government policy -- and I know they are responding to this - of community engagement at all stages.

The Australian Energy Market operators identified north-west Tasmania as a high-priority renewable energy zone, and its potential to host the connection. So, you've got to build the network and the backbone to connect with all the businesses that then will benefit from use of that affordable, reliable, clean electricity - and that will help grow our economy, provide development and opportunities for families, and a cleaner world.

So TasNetworks is currently progressing the design and approvals for those north-west transmission developments, and those developments are critical to supporting our plans going forward. In terms of the specifics, I think you're talking Hampshire to -

CHAIR - Palmerston, really. The Palmerston end is where it's certainly presenting some challenges, if I may say so, minister. I'm aware that a number of landowners have been offered \$1000 to allow the assessment teams to come onto their land and do the appropriate assessments. Not very many of those landowners have taken up that opportunity. So where does that leave the Marinus Link project?

Mr BARNETT - Are you talking Palmerston to Sheffield?

CHAIR - Yes.

Mr BARNETT - Yes. I know it's of interest, particularly to you. As I say, that's part of the backbone for the north-west transmission. Since they first started and proposed that, TasNetworks has listened. I've met with the landowners, and I know you have as well, and they've responded to the feedback. I'm advised that as a result, TasNetworks will remove the existing 220 kV single-circuit transmission line after the new 20 kV double-circuit transmission line is commissioned.

So, I'm advised the existing single-circuit 220 kV line will remain in place during construction, as it's vital to support the power system stability within the state. This approach results in an overall easement reduction from 80 metres to 60 metres, and reduces the number of towers in the corridor from 261 currently, to 190. It's estimated it will take 24 months to construct and commission the new double-circuit line, and a further eight months to decommission and remove the existing line. So, a total of 32 months, Madam Chair.

CHAIR - Minister, are you prepared to advise TasNetworks that there may well be a requirement for them to place some of those lines underground to satisfy landowners? Not all of it, but some of the transmission line?

Mr BARNETT - What I have encouraged TasNetworks to do is at all times engage proactively with landowners. And I am pleased to say that since the first meeting, which was very challenging and difficult, I responded to that and asked TasNetworks to re-engage. They

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did that, and in fact Sean Mc Goldrick has himself, the CEO, re-engaged, together with his team and they've met with those Cressy landowners, they've met with the TFGA as well, which I strongly encourage, and they are working through all of those issues and we expect that engagement to be ongoing.

CHAIR – So you've given them some direction, Minister?

Mr BARNETT – I've given them the direction to have very, very strong community engagement, particularly with the Cressy landowners and to engage directly with the TFGA to ensure that their needs are considered very carefully.

CHAIR – All right. Thank you. I'm pleased to hear that. Given the time, and we will come back to this, we are not finished with this area of scrutiny. So at the request of members, I'll suspend the hearings and we will return ready to go at 11.00 a.m., and again it will be a continuation of this area.

Mr BARNETT – No problem

CHAIR – Thank you.

The Committee suspended from 10.41 a.m. to 10.58 a.m.

CHAIR – Minister, I'd like to move out of this area of Energy and Renewables at around 11.15am and invite the Honourable Member for Hobart to prepare his next question. Thank you. Or deliver it, actually. Thank you.

Mr VALENTINE – So this question is for the record. Can you confirm that the total energy in storage meets the target set under this output group on page 319, and what actions would be taken under this output group should the total energy in storage fall below the High Reliability Level? Whether or not such actions would have legislative support. But yes, if you could go to that question.

Mr BARNETT – Thank you.

Mr VALENTINE – I think Tasmanians would want to know what that's likely to be.

Mr BARNETT – Thank you for the question, and just to give you an assurance that, on behalf of the government, that energy security is not at risk, and we're at 31.8 per cent, 12.8 per cent above the High Reliability Level, 4.9 per cent above the Prudent Storage Level for May. I have the energy security assessor and monitor on my right, Sean Terry. So I'd like Sean Terry to also add to that assurance that I've already provided. Thank you.

Mr TERRY – So, first of all, the High Reliability Level. So that's basically the threshold which we've got enough water in reserve to withstand a six-month Basslink outage, very low inflow and also maintain environment flows into the Great Lake. The Prudent Storage Level is basically an early warning sign. So hydro can still operate commercially between the PSL and the HRL, but it does trigger a monitoring -

Mr VALENTINE – Sorry, just explain PSL, HRL. High Reliability Level is HRL.

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Mr TERRY – And Prudent.

Mr VALENTINE – Prudent.

Mr TERRY – Prudent Storage Level. So that's really an early warning signal to actually start monitoring those levels before they get to the Prudent Storage Levels. Now, if they do get to the Prudent Storage Levels, that basically – there's also another role under the Energy Planning and Co-ordination Act. I think it's called the – I'll just get the exact name. I think it's called the Energy -

CHAIR – Do you want to borrow my highlighter?

Mr TERRY – Yes. Energy Coordinator role. What we would do, we would establish the water storage levels committee. That would be between government and Hydro, and we'd be looking at response measures if it got to that kind of – down to those Prudent Storage Levels. Now, there's a whole range of response measures which include bringing new generation in. We've got Tamar Valley Power Station on standby. Last time we brought in diesel generators, but you've also got demand management so we can reduce demand. So it's a very kind of robust framework that we've put in place since the 2016 energy security issues.

Mr VALENTINE – It's going to have to be robust too, isn't it, with Marinus Link if you're going down that track?

Mr BARNETT – Yes, of course.

Mr VALENTINE – Given the demands that may well come from interstate.

Mr BARNETT – Yes, Marinus Link of course will improve energy security and increase energy security for Tasmania because there will be more flexibility on top of Basslink. Sean's already referred to the team at Valley Power Station, as I did earlier this morning. And of course since 2016, we've had both the Cattle Hill Wind Farm and the Granville Harbour Wind Farm come on to the system and increase our energy security.

Mr VALENTINE – In relation to that, as a supplementary, we're encouraging a lot of private enterprise into wind farming. At the end of the day, if Tasmanians are using that electricity, they're basically paying the profit margin, aren't they, at the end of the day. So why is it good for us to encourage private enterprise into that space and not get into it ourselves, given the fact that it's – the wind is a resource that can be harvested. Why wouldn't we, as a state, be getting into that? To reduce that profit margin which forces prices up, doesn't reduce it.

Mr BARNETT – Yes. Thank you for that, and certainly we support the private sector being very proactive in this space and we want to encourage the private sector to be proactive and to create jobs and opportunity in renewable energy. With respect to Hydro Tasmania, of course, they have a number of joint venture relationships already in the wind energy space, so that's to be acknowledged. The final thing I'd want to acknowledge is the competition issues and the Australian Competition and Consumer Commission set out a framework, and our competition laws are important so we want to abide by those laws.

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Mr VALENTINE – That's for things that are in place. I mean, surely it doesn't stop us, that competition and consumer issue doesn't actually stop us from developing wind farms ourselves as a state, does it? I mean, we certainly have hydro well under control. There's nothing that says that that has to be privatised.

Mr BARNETT – No, we're very proud of Hydro Tasmania and its more than 100 years of contribution in terms of hydro pioneering efforts in this state. I think the history and heritage is often overlooked. I want to pay a tribute to our pioneers, because the reason we have the renewable energy credentials that we have today is because of that hard work and contribution of the past generations. So I put that on the record. I might just pass to Anton Voss to outline further to my answer, particularly on the competition side, but to assist the member with his question.

Mr VOSS – Thank you, Minister. Just with regard to the competition issues, it's not that straightforward, as always is the case.

Mr VALENTINE – I'm always eager to learn.

Mr VOSS – I think the reality is at the moment, as the minister said, is that there's a whole host of commercial private sector interest in doing wind, and we want to encourage that and that's obviously part of the renewable energy target.

Mr VALENTINE – But why do we encourage it? That's the question.

Mr VOSS – Like I said, one of the things we have to work through as well around this is – or note is that Hydro Tasmania has significant market power in Tasmania, notwithstanding that we have Granville and Cattle Hill Wind Farms, and we're expecting more wind farms to come on line. Hydro Tasmania still has significant market power in Tasmania. That's something we're very aware of with regards their interactions and how they price in Tasmania.

So if, for example, if Hydro Tasmania was to acquire, for example, one of the current proponents who have got plans, I would expect that that would be something the ACCC would have an interest in. So it's certainly not on the plans at the moment. The government's objectives are around encouraging the private sector to come here, and Hydro is very much focused on upgrading and making its current generation suite more efficient, and also obviously the battery of the nation and pumped hydro off the Marinus Link goes forward.

So I think the member was saying a bit earlier that the – surely the ACCC wouldn't have – it would be okay. It's like I said at the outset, it's not that straightforward, and at the moment that is not the plan of how we're going to meet the target.

Mr VALENTINE – I guess if Hydro decided to get into that space, would the ACCC have the same issue? If they added the dam to increase their capacity, the ACCC is not going to have a problem, one would think. If they add a wind farm – not buy one, but add one, develop one – I can't see where there would be an issue.

Mr TERRY – At the moment, the plan of the government is we've got a whole range of private sector wind farm developers here and we want to encourage that.

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Mr VALENTINE – So that's a policy decision that's gone down that line. The last question, if I might, Chair: gas. Gas is obviously a pretty significant thing on the radar at the moment with increasing prices and all the rest of it. I'm interested in the Gas Strategy Working Group, how that's going. I'm interested in the progress towards the utilisation of the current gas network throughout Tassie, the pipeline, and whether or not any further progress has been made for utilising that for the Hydrogen Hub to distribute hydrogen through.

I know there were some issues with metal parts and all of those sorts of things, and probably corrosion associated with the hydrogen, but I'd be really interested to know how that's going and how that Gas Strategy Working Group is going. In that answer, if you could also touch on the commitment that the Tasmanian government has in terms of gas usage as a result of having that relationship with the gas provider, and how much we have to use to keep our end of the bargain. That's what I'd be interested in, and I imagine that having two ships running on gas might be part of that strategy. Could you just give me a rundown on the Gas Strategy Working Group and how it's going with that.

Mr BARNETT – Yes, thank you very much, and it's a good question and an important one. I touched on it earlier today, but in short, there's over 13 000 residential customers using gas in Tasmania, over 1000 commercial business customers.

Mr VALENTINE – They might be a bit nervous at this point.

Mr BARNETT – I can understand the reason for the question, but as I assured the parliament last Thursday and can again today, there's no imminent supply issues in terms of gas in Tasmania. I have had discussions with the federal minister. It is certainly a massive issue on the mainland and it's being considered at our Energy Minister's meeting on Wednesday this week, and it's a top priority, and I reached out to the key stakeholders last Friday, like Tas Gas, Tas Gas Pipeline, Minerals and Energy Council, business players and other stakeholders. There's a level of assurance that's been provided and the feedback was encouraging. But we're looking at and monitoring this very carefully. It's a very serious issue, and so yes, it's going to continue to be monitored by RecFIT, those across government and the key stakeholders affected.

In terms of the gas strategy, the working group, Sean Terry can comment further, but we've been working very closely with the key stakeholders. That was formed in November 2020. So there a lot of work, meetings have been going on. I reach out to the stakeholders from time to time and make sure they are happy with the working group and how it's going. The feedback's positive, cooperative, collaborative.

We released a discussion paper in November last year and are getting feedback on that. We've had 12 submissions to the discussion paper. Then, by the end of this year or before I expect to release a future gas strategy. That will outline exactly where we are now and where we want to go. I might conclude there and pass to Sean Terry, who's been part of the working group and leading the work to add to the answer.

Mr TERRY - In terms of the working group, it's going very well. It's been one of the best processes I've been involved in. We've a whole range of stakeholders from major industrial, small business council, TasCOSS, Hydro, Aurora and the gas utility providers. We've covered the whole spectrum of stakeholders. I think the high-level message that's coming out of the group is that everyone accepts that gas is a transition fuel. As we move to

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low emissions fuel sources, a 100 per cent decarbonisation of our entire economy, what we're trying to work through is the pace of the transition, what it looks like for Tasmania and how government will support that transition

I think the high-level message is everyone accepts that gas is a transition fuel. It's hard to abate industries for gas at the moment, particularly for industrial heating so it's how we manage the transition and support for it. But I've got to say, the working group's been very, very effective.

Mr BARNETT - Can I just add one thing, because you asked about the pipes and how we're responding to climate change and decarbonisation. We're looking at gas as part of the plan going forward in terms of the options for the pathway to decarbonisation.

I say thanks to Tas Gas and Phaedra Deckart, who's doing some good work there. The good thing about our existing infrastructure is that it can have and hold green hydrogen. That that's one of our plans that we're looking at very carefully in terms of being able to use green hydrogen, manufactured at Bell Bay and distributed that to the key stakeholders, customers around Tasmania whether it's combined with gas - and that's the most likely outcome going forward. So I just thought I'd give you that level of assurance as well.

Mr VALENTINE - Part of my question is the state's commitment, if you like, to using so much gas to keep the pipeline functioning, that there's an agreement with the providers that the island will use X amount. Can you shed some light on that and what that status is at the moment?

Mr BARNETT - Yes, thank you very much.

CHAIR - And we're already going into our forestry policy time.

Mr BARNETT - I'll see if I can assist the member and say that's to do with the Tas Gas pipeline, which is to access gas from the mainland. Whereas the point I was making is about Tas Gas and using the current gas pipelines across the north and across the state.

The question goes to the relationship between Tas Gas Pipeline and Hydro Tasmania. They came to an agreement towards the end of last year. It was a mutually agreeable outcome. Arbitration was not required. I think the Opposition was calling for intervention by the state Government. We didn't need to intervene. A mutually agreeable outcome has locked that in for a number of years into the future. I haven't got the exact details with me but there's a level of assurance there that gas will be provided on terms and conditions agreed with Hydro Tasmania.

CHAIR - A short, sharp question from the member for Launceston.

Ms ARMITAGE - I have two quick questions if that's all right. They're both with regard to Aurora, and are something I meant to ask last time. I can take them on notice, Chair.

CHAIR - Yes.

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Ms ARMITAGE - Happy for that. I'm wondering how many Aurora smart meters have currently been installed and whether it's the intent to install smart meters right across the state or what's the program for it?

Mr BARNETT - Thanks for that. As at the end of March this year, 133 000 advanced meters had already been installed while a further 249 000 meters are yet to be replaced. The Government's made a commitment to accelerate the advanced meter rollout so that all Tasmanian residential households will be able to have access to the advanced meters by 2026.

The national metering rules were introduced in 2017, as you might recall, requiring advanced meters to be installed in all new and replacement installations. It's currently anticipated that the rollout of advanced meters will be substantially completed by the end of 2024.

Ms ARMITAGE - And the benefit of them?

Mr BARNETT - I'll let Sean Terry outline the benefits, but there are a number of benefits.

Ms ARMITAGE - Is there a benefit to the homeowner? Or just to Aurora?

Mr TERRY - At the risk of going back, the app is basically linked to the smart meter, so it gives you real-time information.

Ms ARMITAGE - But you don't have to have the app. I've got a smart meter but I don't have an app.

Mr TERRY - No, but that's how you best utilise your smart meter. You can monitor your usage. Aurora offer a couple of tariffs at the moment, so you can talk to Aurora about that, once you know your usage, around what's the best kind of tariff you can apply to reduce your overall cost.

Ms ARMITAGE - So do you have to have a smart meter to have an app?

Mr TERRY - Yes.

Ms ARMITAGE - Right, so you can't get the app if you haven't got a smart meter, so you've got to wait for it to be rolled out.

Mr BARNETT - You need a smart meter. To get use of the app, you need a smart meter. That's why we want to roll it out as soon as possible, by the end of 2024.

Ms ARMITAGE - Just one more quick question. As I said, I'm happy to be on notice.

With regard to the app, as you were mentioning before, and I've looked it up, once you click on it, if you get it, I assume you still have to register. I'm assuming getting the app on your phone or whatever doesn't register you with Aurora.

Mr BARNETT - Say that again.

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Mr TERRY - What's the question?

Ms ARMITAGE - When you go just get the app, Aurora+, which is the app, I'm assuming you then register through the app. I just wondered what the process was.

Mr TERRY - Yes, I've got the app. First, you've got to get the smart meter on and then you have to register with Aurora. This is the process that worked for me.

Ms ARMITAGE - I can get the app now. I can get the app, because it says -

Mr TERRY - Download it.

Ms ARMITAGE - Download it, yes. So then you register.

Mr TERRY - That's right, then you have to register with Aurora and then they'll link your smart meter to your app. That'll give you real-time access. One of the other benefits of the app are flexible payments. You can pay monthly.

Ms ARMITAGE - I've been looking. It does show you all those on the app. But I'm wondering the amount that Aurora is spending on promoting the app. I'm wondering what their budget is? I'm happy to take that on notice but I'd be interested to know their budget as opposed to \$40 a year. But if I could take that on notice.

Mr BARNETT - Thanks for the question; it's obviously one for Aurora Energy. I don't know exactly what - and I'm not sure that they know - exactly what money is to be expended in terms of promotion, advertising, education and awareness of the benefits of the app. But we all know there are benefits from the app and that's why we intervened to ensure that the cost of the app is not incorporated into the regulated tariff framework for the aurora+ energy as part of the 2022-23 price setting process.

Ms ARMITAGE - With respect, it really shouldn't be if you're not using it. I really would object. I don't think too many people realise they were paying for something they weren't getting.

Mr BARNETT - We did intervene in that matter a number of weeks ago.

Ms ARMITAGE - I hope that it continues well past 12 months because, if you're not using it, you shouldn't be paying for it. Thank you, minister.

CHAIR - Is the member satisfied with the minister's response or is there a question from that?

Ms ARMITAGE - I'm happy to put a question on notice paper to ask the question if that's a better way to go forward for the minister with Aurora.

Mr BARNETT - I'm keen to answer all the questions at the table if possible. If they are questions for Aurora Energy, obviously that's GBE scrutiny but in terms of the government, I'm happy to try to answer any questions at the table.

PUBLIC

Ms ARMITAGE - No, that's fine. You weren't able to provide a cost, so, I will suggest that the Honourable Member puts it on the notice paper.

Mr BARNETT - That's a cost from Aurora Energy.

Ms ARMITAGE - Yes, I can put that on the notice paper.

Mr BARNETT - On the notice paper?

Ms ARMITAGE - Yes, on the parliament notice paper.

Mr BARNETT - That's fine.

CHAIR - A very quick question from the member for Prosser, with a very quick answer.

Ms HOWLETT - It's already been answered.

CHAIR - It's already been asked and answered. Thank you.

Mr BARNETT - That's fine.

CHAIR - So, thank you, minister. We'll leave this output group and head to - with your hat on as Minister for Resources. Thank you.

Mr BARNETT - All right, Thank you, Chair.

CHAIR - Do you need to change?

Mr BARNETT - We will need to change, yes. Could I just say thanks to Anton Voss and Sean Terry and the team for their support this morning and in advance of today. Thank you.

CHAIR - Thank you very much.

Mr BARNETT - Thanks, Chair.

Output group 2 Primary industries and water 2.1 Forest policy

CHAIR - Minister, if you would like to introduce your team at the table. We will move to 4.1, Forestry Policy and Reform, and I expect that you have a brief overview in regard to this very important area of scrutiny.

Mr BARNETT - Thank you very much, Chair, and I'm pleased welcome Jason Jacobi, Acting Secretary, Department of Natural Resources and Environment, together with Deidre Wilson, who is the Deputy Secretary of the Department as well, and Alastair Morton, Director of Forestry and Game Services. I thank them both now and for all their efforts, together with their team, for supporting the government in this important area.

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CHAIR - We acknowledge that they have not had a weekend for a couple of weeks.

Mr BARNETT - They work very hard around the clock.

CHAIR - As we do.

Mr BARNETT - That's right. But in terms of resources, Chair, as the opening remarks, more than 10 000 Tasmanians in this space contributing to the lion's share of our exports by value, accounting for more than 60 per cent of our record \$4.6 billion in export earnings for the 12 months to March. Renewable sustainable forestry provides the wood that helps build our homes, Chair.

CHAIR - If only we could get it. It's pretty difficult at the moment.

Mr BARNETT - It's always a challenge, Chair. Mining and mineral processing sector, so well respected on the global stage, provides the key minerals the globe needs as we transition to a renewable future. The sector provides millions in royalties, fees, and other contributions which help fund the essential services Tasmanians need and deserve. Pleasingly, both forestry and mining continue to respond well to the multitude of challenges faced in the recent times, including COVID, trade issues, domestic supply pressures, with COVID-19 providing ongoing challenges to supply chains and markets.

In recognition of the sector's critical role, the government has committed \$1 million in new funding to back the sector in 2023 budget, \$800 000 over four years to support Minerals Resources Tasmania in providing enhanced services and support to the minerals and construction sector, \$200 000 to help address emerging national wood supply pressures and inform the government's strategic approach in achieving long term sustainable wood resource. The budget also provides the remaining \$1 million of the \$2 million for the power network infrastructure upgrades on King Island for the Dolphin Mine near Grassy, and that was great to go to King Island some months ago for that official opening. These commitments are on top of the millions already provided through the 2021 election platform as securing jobs in those regional areas.

Chair, we continue, disappointingly, to see concerted efforts on behalf of a few to disrupt our important mining and forestry sectors, and the government respects the right of every Tasmanian to express their views and protest lawfully. However, extremist protests that cause distress to workers and unduly disrupt lawful business activities are simply unacceptable. So as the members would be aware, the government remains committed to re-prosecuting our workplace protection legislation to ensure all Tasmanians are protected in their right to earn a living.

So in terms of what lies ahead, we've now got a world which is relying more on critical minerals as we face a renewable future. We are well-placed to support that with tin, silver, copper, gold, lead, zinc, and of course, in the future, tungsten at King Island. Unearthing new mineral deposits, including potentially high value rare earth minerals, presents a significant opportunity for Tasmania. Our renewable sustainable forest sector is well-positioned as the world transitions to a low emissions future. Wood and woodfibre products are used for a myriad of products, including house construction, and are an effective solution for carbon storage and reducing emissions. This beautiful table, using the Tasmanian specialty timber, and we're surrounded by it in this beautiful committee room in Parliament House.

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Chair, we welcome the Australian government's recent commitment to fund the establishing of an Australia-wide national institute for forest products innovations to be headquartered in Launceston. All up, with industry support, some \$200 million of investment that's back in Tasmania as a well-managed forestry operators in this state with lots of potential. So, it will certainly position Tasmania as a leader in critical research areas including climate, native forests, and future forest management. We look forward to progressing that with our federal government colleagues, Chair. I'll leave it there and look forward to any questions.

CHAIR - Thank you, minister, we appreciate that and certainly a huge focus on our mineral resources in your overview but we will start, if you don't mind, with forestry policy and reform. You referred to the \$200 000 in the budget overview papers on page 58 of the allocation of the \$200 000 for resource security in the forestry sector initiative to inform the government's strategic approach in achieving a long-term sustainable wood resource security to support the Tasmanian forest and wood products sector. Then you referred to the emerging wood supply pressures. So, I'm really interested to flesh that out a bit more because \$200 000, Minister, if you don't mind, I expect will go to be a very small initiative?

Mr BARNETT - Thanks very much, Chair. I appreciate the question and where you're coming from because resource security has always been important for our Government and, as a Government we have made sure of that. At the last election, for example, we made commitments on wood resource security in the short term and the longer term for our sector. That's because we're backing it as an entity and as a sector. That's what we're doing.

In terms of making the minimum 137 000 cubic metres of high-quality eucalypt, veneer and sawlogs available each year, that remains in legislation; we stand by that.

We've also got the Sustainable Timber Tasmania five-year sustainable yield review coming up, to be completed and available in mid-2022, so not too far away. I know that will be of interest to you and, indeed, others in the sector and in the community. And it should be noted that over 70 per cent of our total forest harvest volumes now comes from the private sector, with STT accounting for the remaining volume. So I want to pay a tribute to the private sector, because they will play an increasingly important role in timber supply going forward, to get that timber to help build our homes and to keep our sawmills and our industry operating.

CHAIR - I need to declare an interest, minister. We actually harvested a coupe on our family farm more recently, so you certainly are on the money that the private sector is playing a significant role. But around those emerging wood supply pressures, it talks about initiatives as well?

Mr BARNETT - Internally, I want to acknowledge Al Morton in this regard. He works very closely with the industry. Al's on my left, to the left of the acting secretary. It is important that we do the work, we assess the wood supply. As I say, the report is coming mid-year from Sustainable Timber Tasmania, and there's a lot of work in that. And the \$200 000 will assist us in addressing the emerging national wood supply pressures, and inform the Government's strategic approach to respond to those short, medium and long-term pressures, to ensure that we have a sustainable wood supply. We know in the building/construction sector, and with my other hat on, that you don't have to go too far -

CHAIR - You will put that other hat on later today?

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Mr BARNETT - Yes. You don't have to go too far in the community to know that it's tough in the building/construction sector in terms of building a home, in terms of wood supply and other supplies, to get homes off the ground. That's why we have recently signed the memorandum of understanding with the building and construction industry. So, going forward with wood and resource security, we want to make sure there is access to adequate wood to get the job done.

CHAIR - That access is so critical to the building industry. We know Victoria is winding down their industry, so is it expected that Tasmanian resources will be filling that gap, given that we're not able to supply our own household timber requirements?

Mr BARNETT - Thank you, yes. Firstly, at a state Government level, we have always focused on the importance of value-adding and downstream processing. That's why we funded \$10 million over five years with our on-island processing outcomes and grants. I am very pleased to advise that \$6 million of that has already been announced in the last six months. Obviously there are further funds to be made available, but we want as much value-adding done here in Tasmania.

You mentioned Victoria. Yes, it is disappointing for the Victorian timber industry, because the Labor government in Victoria - and now in Western Australia - have effectively announced the closure of their native forestry sector. In Tasmania it is sustainable, it is important. We don't have that approach. We are concerned with the impact and implications that the Labor government in Victoria and Western Australia will have. Of course it will put more pressure on Tasmania and other parts of the country - and, indeed, other parts of the globe, where they will need to be importing timber. We don't want that here in Tasmania. We want to be doing the processing on-island, and value-adding here. That's why we put \$10 million in last year's budget to encourage that.

On top of that, we've got a whole range of other initiatives. As you know, through the marketing, the Timber Promotion Board is very important. We have the boiler replacement program where we're replacing the fossil fuel boilers in our schools, hospitals, correctional facilities, and we want to replace that with bioenergy. And I'm happy to talk more about bioenergy, Madam Chair.

So, there's a lot more we can do, and we are doing, with the timber industry. We work in partnership with them to ensure we can support them wherever possible.

CHAIR - Minister, there's the submerged-timber initiative, which Hydro Tasmania administers. Do we have any idea what Hydro is forecast to earn from that submerged timber?

Mr BARNETT - I think there was an answer on a question on notice in that regard, and it's a very fair question. Hydrowood is part of what's great about Tasmania, that we can harvest timber under the water at Lake Pieman. I've been there. I have seen it, how they sit on a barge, and they go down and they actually harvest the trees under the water, and they bring it back up and put it on the barge to take it back to land, and then it's available for processing, which is fantastic - whether it's Huon pine, blackwoods, other specialty timber, even eucalypt. You know, hydro wood. Again, this has all been done at Lake Pieman. Hydro Tasmania has arrangements in place for those proponents who are using it.

CHAIR - The proponent.

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Mr BARNETT – The proponent. In 2019 the University of Tasmania produced a report on the potential resource availability and the physical properties of the submerged timber resource. The report found there was up to 300 000 cubic metres of wood, including some specialty timbers that may lie within Hydro Tasmania's impoundments - Lake Gordon, Lake Pieman, Lake Mackintosh, Lake Burbury, Lake Murchison. The report is available on my department's website.

Hydrowood currently operates only on Lake Pieman, with approval from Hydro Tasmania - so I think that's the proponent you were referring to, that one company. And there's access to prospective resources, as I say, in some of those other lakes, at the discretion of Hydro Tasmania. The value of submerged timber is a matter between Hydrowood and the proponent. As I say, I think there is an answer on the scrutiny on the question without notice, coming back to you, Madam Chair, on that matter.

Certainly, in terms of Hydro Tasmania, that's relevant to the GBEs at the end of the year, and I will assist where I possibly can.

CHAIR - Right. So you don't have available any forecast for the financial gain for Hydro Tasmania in regard to that reclaimed wood?

Mr BARNETT - No. We wouldn't have any forecast in terms of the financial benefits for Hydro Tasmania, as that's clearly a matter for Hydro Tasmania, Madam Chair.

CHAIR - Are you aware of what the forecast is for the quantum that will be taken in the 2022-23 year?

Mr BARNETT - I'm not aware of that.

CHAIR - Or reclaimed?

Mr BARNETT - I will check if anyone at my table is; I doubt that they would be, because it's a matter for Hydro Tasmania. I'm just checking through my acting secretary.

Mr JACOBI - Thank you. Through the minister, I will refer to Al Morton.

Mr MORTON - Thank you. Sorry, just to confirm, that question was around the volumes that they were seeking?

CHAIR - Well, you're not going to tell me how much the contractor is getting for it, so now if you tell me how much the quantum is, then I might be able to marry up something that I can find elsewhere.

Mr MORTON - Yes. As indicated, Hydrowood is a private company owned by Sustainable Forest Management.

CHAIR - But the timber they're reclaiming is owned by the people of Tasmania.

Mr MORTON - Yes, and Lake Pieman is managed and owned by Hydro Tasmania.

CHAIR - Managed by Hydro Tasmania? We own Hydro Tasmania.

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Mr MORTON - We don't stipulate any, you know, in terms of how much they're harvesting. That's effectively a commercial operational matter for Hydrowood. What I would add probably to that, is what we do know, and the minister was alluding to earlier, is there is a significant volume of specialty timbers -

CHAIR - 300 000 approximately?

Mr MORTON - in Lake Pieman and in some of those other dams that the minister was referencing. So there is a very long-term resource there under the water.

CHAIR - It's interesting isn't it, that we don't actually know what's coming out and what the value is of that to the Tasmanian community? Do you find that interesting, Minister?

Mr BARNETT - Well, I think I did refer to the University of Tasmania in terms of the potential benefits for the state based on their understand and their research of those various lakes where there have been impoundments. At the moment we're just talking about Lake Pieman, where I visited myself and observed the harvesting in operation which is fascinating, and I just say congratulations, well done, on the innovative and ingenious approach to harvest timber which is underwater.

CHAIR - I have no issue with what's occurring, it's just that I'm interested to know the quantum and the value of what has been taken and so are industry stakeholders so I'll continue to work on that. I have a supplementary on this from Mr Willie, then Mr Valentine.

Mr WILLIE - It's on 137 000 cubic metre - so the quota -

CHAIR - Right. Was yours on Hydrowood?

Mr VALENTINE - Hydrowood, yeah.

CHAIR - So we'll do Hydrowood first and then we'll come back.

Mr WILLIE: Yes, okay.

Mr VALENTINE - So it's an interesting situation in the way you answered the Honourable Member for McIntyre.

CHAIR - With no answer.

Mr VALENTINE - Well, yes. But I'm keen to know - I mean, if we've got to pace ourselves as a community in terms of seeing these specialty timbers being available for many years to come - one would expect that as the policy arm, if you like, that you would be able to have some power as minister to dictate how much of that resource is allowed to be harvested and sold in any one year. I would have thought, and I thought that was what the Member for McIntyre is -

CHAIR - Obviously my question isn't getting the answer that I'm seeking.

Mr VALENTINE - But that's what you're on about, isn't it? It's about making sure that we do have in terms of speciality timbers - especially those that can't be harvested any more,

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like Huon pine - there must be some power the minister has to be able to dictate how much of that is able to be released to the market every year.

Mr BARNETT - Well just to be clear we're talking about an arrangement between Hydro Tasmania, a government business enterprise -

Mr VALENTINE - I appreciate that.

Mr BARNETT - and one of their business contracts.

Mr VALENTINE - Yes.

Mr BARNETT - Contracts that they have with a single business, which is Hydrowood, which is owned by SFM. They are entitled to enter into negotiations and in terms and conditions to be agreed. What I have advised is the University of Tasmania has advised in their research that there's a significant upside potential for further opportunities in other lakes in addition to Lake Pieman. And I've mentioned Lake McIntosh, Lake Burberry, Lake Murchison and Lake Gordon. Very substantial lakes.

Mr VALENTINE - Yes.

Mr BARNETT - No doubt the potential is significant. We're talking 300 000 cubic metres of wood, which is inclusive of specialty timber. So the upside is significant. So as the government, I take your point, and we are very interested in the opportunities going forward but we can't intervene in individual contract arrangements between a government business enterprise and a Tasmanian company.

Mr VALENTINE - I can appreciate that, minister. I appreciate that. I mean maybe it's something that should have been considered before that deal was struck, but I would have thought that going forward you can see the benefit of having some policy control - well have some level of control over how much can actually be released to the market, or future hydrowood, if you'd like to call it that, harvesting. I mean, we can't cut them down any more and it's a rare timber. Not that that timber can be used say, for instance, in every level of use. Like boat building it mightn't be suitable, I'm not sure, because of the fact it's been submerged so long, I'm not sure. But there must be some strictures as to what it can and can't be used for. Surely that's something that, as minister, you might be able to concentrate on going forward.

Mr BARNETT - Yes. I think it's fair to say that, as a minister and a government, we're very interested and we're very pleased to progress further research and understanding of the potential resource in those lakes that I have described, and the opportunity to find more research whether it's specialty timber or simply eucalyptus nitens or any form of eucalypt that may be under the water. This is part of the Tasmanian brand: clean and fresh, pure and natural. This is all part of what makes Tasmania great.

So look, to your point we have an interest, and we do pursue that. That's why that research was done with the University of Tasmania. It was only two or three years ago. But just remember it is a finite dead resource and it's different to the normal harvest operations. It's in addition to the normal harvest operations. I guess that's the point I'd want to stress.

Mr VALENTINE - Let's not lose control over it, that's the point.

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CHAIR - Minister, before I go down to Mr Willie, my last question in this area is, how do any other Tasmanian companies access this submerged timber if we have no idea what quantum is there except for the university doing a few sums around it perhaps, and then we don't know how much it costs to even have the licence to take the timber, how can anyone else have opportunity. Is it just down to one company having their own arrangement with Hydro and nobody else being able to get a leg in anywhere?

Mr BARNETT - Well, the first thing that I would say is that all the terms and conditions relating to the taking of submerged timber in these lakes - remembering the lakes are owned, and that asset is owned by Hydro Tasmania -

CHAIR - No, Minister. The lakes are owned by Tasmania, not Hydro. They only manage it on behalf of all Tasmanians.

Mr BARNETT - Thank you, Chair. I appreciate the point you've made. Of course, the government business enterprise of which we're very proud and pleased is Hydro Tasmania. So they licence and apply the terms and conditions and permissions that are relevant to accessing and harvesting timber under the water, and in this case Lake Pieman. So any entity that's interested I would encourage them to make contact with Hydro Tasmania, and if those discussions aren't progressing as they like, they are all more than happy to make contact with my office and will make further inquiries. But Hydro Tasmania has a job to do. They are doing that job, and we expect them to meet the high standards for which we apply across all government agencies.

CHAIR - They are keeping their negotiations confidential. Not even a member of parliament can access anything, minister, and that disappoints me immensely. But I'm not going to let it go. I'll find another way to get the answer, I'm just not sure what it is at this point in time. Thank you, Mr Willie.

Mr WILLIE - Thank you, Chair. I just want to go back to the 100 000 cubic - - -

Mr BARNETT - Can I just say I'm more than happy to provide a briefing to you, Chair, and/or other members from time to time as appropriate on this matter to assist you or others?

CHAIR - Thank you.

Mr BARNETT - So let me make that offer as the minister.

CHAIR - I appreciate that.

Mr BARNETT - I'll need to talk to Hydro Tasmania, but with respect to how they operate and what they do, I am more than happy to make that available to yourself and/or others.

CHAIR - I appreciate that offer, but unless it becomes public information then unfortunately it's not much of an advantage to me, because I can't share it with the people of Tasmania. But I thank you for the offer.

Mr BARNETT - Thank you for that.

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CHAIR - Thank you, Mr Willie.

Mr WILLIE - Thank you, Chair. I just want to get back to 137 000 cubic metres of wood supply. There is a disconnect between the government and industry, minister. This committee last year heard from industry. They want to process more and they want more supply. I know you will say that you're maintaining your legislative responsibilities but what are some of the reasons for not getting to that total amount each year? Is it access issues? Economic viability of coupes? Because we're not getting to that number when industry want it?

Mr BARNETT - Thank for the question and I think we've had a similar question in past years but I'm more than happy to respond again and to say resource security and wood supply is an important matter. There is a legislated minimum of 137 000 cubic metres of high-quality eucalypt veneer, and sawlogs to be made available each year in accordance with clause 98 of the Regional Forest Agreement, which was really set up this in the first place back in 2003, I seem to recall. I was in the Senate at the time and there was a big cheer when that legislation was passed because resource security is so important.

The sustainable yield review is required to be undertaken and made publicly available every five years. I mentioned earlier the STT review around mid-year this year. That will make it clear as to what wood supply is available in coming years. I think that will be useful to the industry, the resource security for industry players and the community more generally. I made the point earlier that 70 per cent of that wood supply comes from the private sector, the remaining from STT. That's where we're at the moment. I'm happy to add to that further, if it would assist.

Mr WILLIE - I'm interested in the gap between the supply each year and that 137 000 figure. What are the reasons for not getting to that amount of wood supply each year? I know you're maintaining your legislative responsibilities by making it available but what are the reasons we're not getting there?

Mr BARNETT - I think Morton might be able to assist further, remembering that you're asking questions relevant to Sustainable Timber Tasmania.

Mr WILLIE - We're talking about forestry policy.

Mr BARNETT - Because they are the entity that provides the wood supply. I don't provide it; the Government doesn't provide it. STT provides the wood supply and makes it available each year. Nevertheless, I'm more than happy to try and assist the member and I think Al Morton might be able to give that answer.

CHAIR - It's certainly government policy so that's where the member's interest comes from.

Mr MORTON - Thank you, minister. Yes, through you, Chair. As the minister has already alluded to, the Government oversees the policy framework and as has already been referenced it's close to 75 per cent of the total wood volumes are now from the private sector. The Government's wood production policy, which is set in the Forest Management Act, is that Sustainable Timber Tasmania make available 137 000 cubic metres of high-quality sawlogs. As has already been mentioned, the last sustainable yield review from 2017 showed that that

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figure was sustainable in the long term. The next review is not too far away. That legislated supply figure that government sets in the act effectively gives STT the confidence then to enter into the contracts that sit under that. But the total volume under contract does not necessarily add up to 137 000.

For the 2021 period - and this is according to STT and its publicly available annual report - it set itself a target of producing 120 000 cubic metres of high-quality sawlog for that period. Between 2020-21 it produced 115 400 cubic metres of high-quality sawlog for that period and advised that this volume had met customer demand. That's all in the annual report.

Mr WILLIE - Chair, the question, though, is that there is a disconnect between industry and government. Industry are telling us they want more supply. Yet, we're not reaching this 137 000 cubic metres each year. What are the reasons? You're saying customer demand but that doesn't marry up with what we're hearing from industry.

Mr BARNETT - I think Al Morton outlined the facts of customer demand in terms of the wood that's available. We'd always want, as much as possible, to meet the demand of the customers because we don't want to be importing it. The lockups of the years gone by have had an impact on the forest industry in Tasmania, not just forestry but mining and recreational activities and the whole works. We're managing within those constraints since the lockups, and we don't want to go back there. We have no intention of going back there as a government. That's why we promised resource security at the last election to provide that for the short, medium and the long term.

Wood supply information and research will be available in coming months. They will be of great interest to the industry. I look forward to getting feedback from the industry on that research and wood supply information going forward. It will be not just for one year but for five, 10 years into the future.

We want a sustainable forest industry. We believe it is and we want to maintain that and we want to maintain jobs. That's why we want to put so much value-adding in Tasmania. That's why we invested \$10 million in the last budget last year to support on-island processing. The feedback from the industry on those grants has been really very positive.

CHAIR - So, you're not hearing the disconnect that the member for Elwick is referring to and that many of us here are aware of? That's not something that's coming to you?

Mr BARNETT - I hear feedback consistently from the industry. The feedback I receive highlights the importance of resource security, of value-adding, of downstream processing and on-island processing. That's why they're so appreciative of the efforts that we're putting into investing in that space in the marketing of our timber through the Timber Promotion Board. We're doing a lot to respond to those concerns, and we'll continue to do so.

Ms HOWLETT - Thank you very much, Chair. Minister, could you update the committee on how the Government is going to promote the forest industry?

Mr BARNETT - I can. We're doing a lot in terms of promoting and supporting the forest industry. I've mentioned the on-island processing grants and we will continue to do that. We've heard the processing grants are working well. The feedback I've had in terms of delivering jobs up at Branxholm, for example, - in your part of the world, Chair - in a very significant

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investment from the sawmill. They are putting in their funds, the Government's putting in ours. All up, it's a very significant investment. There's about half a dozen, in fact, a little more than that in terms of recipients of those grants. We're very pleased to provide that support. That's talking rural and regional jobs; and value-adding in Tasmania.

In terms of promotion, the Tasmanian Timber Promotion Board have been doing a lot of good work. Again, that's largely managed by the industry, going forward. Our Government funding helps promote this, not just in Tasmania but on the mainland. They've got markets on the mainland. We don't want to be importing timber from South-East Asia.

If we took the policy of the Labor governments in Victoria and WA, we would end up importing timber from South-East Asia. We want to do it in Tasmania sustainably to help build our homes and create more jobs and deliver a sustainable clean environment. As I say, the carbon is wrapped up in the timber. It's a carbon sink. Whenever you see timber in a home or on the stairs or the floorboards that you use and you look at the timber and you're walking on those floorboards, that's a carbon sink. That's sustainable; that's renewable. It's, in fact, the ultimate renewable. We're pleased with and proud of the sector for what they are doing.

CHAIR - Is it possible to have a copy of the grant recipients? Is it a co-contribution arrangement?

Mr BARNETT - Yes, we can assist you with that. I'm sure the department has a copy of that list. We'll see if the department would like to read out the recipients. I understand it's also available publicly but if you just note the recipients, through you, Chair, to Al Morton.

CHAIR - Is it a co-contribution arrangement?

Mr BARNETT - Yes, it is. Al Morton might want to assist.

Mr MORTON - Thank you, Minister. There are seven recipients, and their names are on our website. I can go through the grant deed amounts, but they're all on the website. Just to go through them briefly, we've got Barbers Sawmill, which is upgrading an existing kiln-drying facility. McKay's, which is upgrading truss plant facilities and also putting in a finger-jointing and laminating plant. Britton Brothers, which is putting in a specialised timber recovery line that will join short lengths of timber into usable high-value long sections. CMTP at Branxholm, which has already been mentioned. Koppers Wood Products, which is doing some work at their Longford pine-processing facility that will result in reduced waste and significantly increase the efficiency and output of treated-pine post production and processing at their site. Bakes Sawmill, which is producing treated timber for a range of products, adding value to what is currently chipped residue wood. And the last one is Timberlink Australia.

CHAIR - Right. And there's still a significant balance in that \$10 million fund?

Mr BARNETT - Yes, there's an estimated \$4 million available, with \$6 million expended to progress those proposals outlined by Al Morton. As I say, it's on the website and it does require a co-contribution, and will deliver jobs galore in those rural and regional areas.

I should add that in terms of skills, education and training, we're also funding the Arbre Forest Industries Training and Career Hub based out of Launceston to address the skills shortage. I think you and others know the importance of getting access to skilled labour. It is

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a priority, so we're working with the industry in that regard. I've been there a number of times. They do a great job rolling out more experienced and skilled workers for the timber industry.

CHAIR - Thank you. Mr Valentine.

Mr VALENTINE - I know this is an emotive area, but facts are important to me. You talk about the five-year sustainable yield review that is coming up. How much weight, in that review, does habitat loss get? We know about wood being a renewable source and all of those sorts of things. We've just gone through all of that. Obviously how it's disposed of after it's been used is another thing.

I'm really keen to understand the mechanics associated with this sustainable yield review, and how much weight habitat loss gets in that regard.

Mr BARNETT - Thanks very much. It's a very important question and the Government takes it very seriously. That's why for the last 30-plus years we've had the Forest Practices Authority, which is an independent agency that monitors and manages the protection of our habitat, flora and fauna. That's why our laws and regulations require the assessment of the environmental values of any forest. The independent Forest Practices Authority undertakes that on an ongoing basis.

We also have the Forest Practices Advisory Council and a tribunal. We have a chief forest practices officer, and of course the Forest Practices Code, which is important. We have a policy in terms of the maintenance of permanent native forest estate, and then, as you've said, the five-yearly state of the forest report, which gives you a big picture look at all aspects of the forest industry - the economic, social and environmental aspects of the industry. And on a consistent and regular basis, we are declaring or revoking private timber reserves. As I've said, 70 per cent of that timber is coming from the private sector.

All of that must be done in a consistent way - consistent with the environmental values in which they are operating. You need a forest practices plan, a harvesting plan, before any harvesting can occur - and of course, with every tree harvested, there's at least one sown to replace it. So it must be sustainable and it must be renewable.

Mr VALENTINE - But I'm not hearing that, in that review, there are specific things saying that assessment for X, Y or Z - whether it's threatened species of plants, or threatened species of wildlife - is actually taken into account in that review. As I say, I work on facts. I'm interested to know that. I don't want to get into the emotiveness of it.

Mr BARNETT - I appreciate that. I want to assure you and other members of the committee that our environmental protection measures are in place. They are in place. You cannot harvest a tree unless those measures are taken into account. The Forest Practices Authority ensures that. It's an independent regulator. In addition, there is not just an approval process, but you have to consider the federal Environment Protection and Biodiversity Conservation Act - which is federal environmental legislation, state environmental legislation and local government. So, to get through a process, there are three layers there, and they all need to be taken into account.

In addition, the FPA employs specialists in compliance, biodiversity, sciences, cultural heritage - so Aboriginal heritage, for example - and they provide advice to the forest practice

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officers and undertake research and development to support improvements in the forest practices system. We're always striving for continuous improvement, and we believe that's important. So getting that balance is really important.

Mr VALENTINE - Okay. Thank you. Just one other question on nitens - laminated timber and the like. You've probably touched a bit on this, but for the comfort of people who have plantations of nitens, I'm interested to know if they can actually get good value from those plantations by having them used for good purposes like laminated timber.

Can you give me a picture as to what that looks like these days, and how much work is happening in that space, and whether or not we're kicking goals?

Mr BARNETT - Yes, thanks very much for the question. Certainly, eucalyptus nitens should be acknowledged as a plantation resource. It's been noted here in past years, and I think you've had an interest in it. It's not just the Hermal development on the north-west coast, which the Government has been very supportive of, where we like to see CLT - cross-laminated timber, a very clever engineered wood; I think you mentioned veneer. It's an engineered wood, which we hope to use to build our homes and commercial properties into the future. For example -

Mr VALENTINE - Is it coming up to spec? That's the question.

Mr BARNETT - Yes. The University of Tasmania, for example, wants to use as much as possible in their new development in Launceston, at Inveresk.

And I can advise that in terms of the Hermal Group, Cusp is working to establish the world's first cross-laminated timber panel products based on plantation eucalypt hardwood, with a new timber processing facility to be established in north-west Tasmania. That's their vision. They opened an office in Burnie, and established a testing facility in Wynyard to undertake final testing for their cross-laminated timber products, and this testing will be to both Australian and European standards. So it commenced selling small volumes of various products into the market, they've secured a preferred site for the full-scale facility in the Burnie area, and they've been working with a range of forest industry companies in Tasmania on the development of a bioenergy generator, which will turn the plant's wood fibre fines into electrical and heat energy. They are very enthusiastic about this, and a lot of work is going on behind the scenes to progress that.

Mr VALENTINE - And the glues and things that are used in that are also sourced from the actual fibre - is that correct?

Mr BARNETT - I'll just see if Al Morton -

Mr VALENTINE - So we're not creating a different environmental problem.

Mr BARNETT - No, no. Well, I've been there, I've toured through the plant. It's absolutely environmentally friendly and supportive or more sustainable outcomes. It's using plantation eucalyptus nitens, to your point, in the building and construction, which I've sat in one of those buildings in Brisbane. It's made from timber, 12 storeys high. It's just beautiful to be sitting in and to enjoy, and I think you would agree with me, just sitting here surrounded by timber, it's just a good feeling. It's a great workplace.

So the opportunities going forward working with the building and construction industry, we see lots of upside for that. That's why we're on the cutting edge here in Tasmania, and I just want to conclude by saying that the industry Australian government supported by the Tasmanian government, \$200 million research facility in Launceston, based in Launceston, will be a huge first for Tasmania and indeed Australia and the globe, hopefully, in terms of using our timber more effectively in a climate-friendly manner.

Mr VALENTINE – What I'm hearing is it's progressing and progressing well. Thank you.

Mr BARNETT – Thank you for that.

CHAIR – Thank you. Members, I think I might take the opportunity to skip down to 2.5, which is Forest Policy, before – otherwise, we're going to have to change people at the table for Mineral Resources. So I think, Minister, we'll get those questions out of the way and then do your changeover at the table.

Output group 2
Primary industries and water
2.5 Forest policy

CHAIR – So my first question is, minister, around with the changes recently for forestry policy moving from the Department of State Growth to the new DNRET Tasmanian department. What was the cost of the move and how will Forestry be able to manage issues appropriately when departmental staff have mixed responsibilities; forest policy mixed in with game species. So I don't know, Al's probably all over this, but I'm interested in what you understand and those costs, minister.

Mr BARNETT – Thanks very much for that, and I do appreciate the question. It's a very important question because the policy behind it was to ensure that forestry is seen as a primary industry. Forestry is a primary industry and trees grow really well in Tasmania, particularly in the private sector and on farm, and Private Forests Tasmania, I want to pay a tribute to them, Penny Wells and the team, Evan Rolley and board, for what they are doing to promote private forestry in Tasmania. But of course, it's seen as part of the Primary Industries of Tasmania. I'll pass to our acting secretary to outline and add to that answer as well.

CHAIR – So the costs -

Mr BARNETT – And the shift over to the new department.

Mr JACOBI – Thank you. Through the minister to the Chair. Thank for the question. There was no cost for the move.

CHAIR – No cost.

Mr JACOBI – No cost. As part of this process, on 1 December 2021, the government announced that the Department of Primary Industries, Parks, Water and the Environment would operate under the new name as the Department of Natural Resources and the Environment, and that better reflects the work of the department in developing a sustainable Tasmania that protects our state's natural and cultural values, and as part of that important change, the

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government announced the transfer of forest management from the Department of State Growth to NRETAS, and this was successfully transferred on 31 March 2022.

Forestry management is a critical component of sustainable natural resource management, particularly in the context of climate change, and I think one of the key things that's arisen from this transition is we now have a much closer relationship with our colleagues in the forest policy sector. So we're actually able to combine our efforts. They're located in the same building as NRETAS in our environment section and that's allowed us to work much more closely in terms of delivering consistent policy and procedure across the management of forests in the state.

CHAIR – Are there some KPIs in regard to this new department which are available and can we use them next year to assess their progress?

Mr BARNETT – Thanks very much for the question. We have KPIs across these government departments, all government departments in terms of how they operate. I can just say from my point of view as minister, I really appreciate the feedback I've had from the department. Of course, Private Forests Tasmania is also part of that, as is the FPA. So that comes up and their advice comes through the department through the deputy secretary to the secretary, and then of course to the minister. So with respect to those sorts of KPIs, I can pass to the acting secretary to perhaps outline some of those KPIs and related matters.

Mr JACOBI – Thank you, minister. I think one of the key things to outline through the Chair is the new department's strategic planning. So, over the last six months, or even longer than that, the department has been developing a strategic plan to guide us for the next 10 years. That strategic plan contains six priorities, and the priorities which are developed in that strategic plan will include key performance measures. So we're still in the process of developing those, but we're well advanced.

CHAIR – So the six priorities are not available as yet?

Mr JACOBI – We haven't publicly released the five priorities.

CHAIR – You could today.

Mr JACOBI – I can certainly speak to them today if you'd like.

CHAIR – No, I'm just happy if you would be -

Mr JACOBI – Yes, absolutely happy to table -

CHAIR – If you'd be happy to table them.

Mr JACOBI – table those six priorities for you.

CHAIR – There are six key priorities. A question on notice, thank you. Minister, the budget papers on pages 70 and 208 show a figure of \$1.2 million as at 30 June under the heading of the Tasmanian Forests Agreements account with no expenditure from this specific purpose account over the next 12 months. So I'm interested in the purpose for this funding and

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whether the funding is – funding remaining is Commonwealth funding provided to the state from the TFA process, and around the programs and initiatives, if they are available.

Mr BARNETT – Is that page 70?

CHAIR – No, page 208.

Mr BARNETT – I'm looking at page 70. So let's have a look at page 208.

CHAIR – And page 70.

Mr BARNETT – to assist the members. Page 208. So we've got our department representatives here. So what number are we looking at?

CHAIR – In the budget papers on page -

Mr BARNETT – Forest policy 2.5.

CHAIR – Yes.

Mr BARNETT – Down the bottom.

CHAIR – There is a figure of \$1.2 million as of 30 June under the heading TFA agreement account with no expenditure for this specific purpose account over the next 12 months. So I'm just interested in the purpose of this funding.

Mr BARNETT – I'll pass to the department to respond. We've got output group 2, primary industries and water forest policy. 2021-22 is \$1 169 000. That's what I've got in my budget papers.

CHAIR – It's in budget paper 1. Budget paper 1 on page 70.

Mr BARNETT – All right, page 70. We'll just see if the department officers at the table can assist the honourable member. Whereabouts on page 70, Chair?

CHAIR – It's down under Natural Resources and Environment TAS.

Mr BARNETT – Yes.

CHAIR – \$1.2 million.

Mr BARNETT – Thank you very much. So I'll pass to the secretary or the deputy secretary.

CHAIR – We're a team here, minister.

Mr JACOBI – Thank you. Through the minister, I'll defer to Al Morton, Director of Forest Policy. Thank you.

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Mr MORTON – Thank you, acting secretary, and through you, minister. I haven't got that figure in front of me, but I am aware that there was an amount of money called the Tasmania Forest Agreement money that was transferred over to the state some time ago and was used to fund a number of initiatives. So a number of initiatives, including things like state contribution to the National Institute for Forest Products Innovation, have been run out of what I'd call TFIGA residual money, and of course we always make sure that we spend any of that money consistent with the – any requirements around it.

CHAIR – So there's two gaps and then there's a – just remind me, the last year there's another \$1.2 million, member for Elwick.

Mr WILLIE – To 2023, yes.

Mr JACOBI – Through the minister, I might just ask Anne Beach to come to the table. Anne is our deputy CI.

CHAIR – Can you see, it's just sitting there?

Mr MORTON - Yes. Again, through you, minister - that is effectively residual money from a long-term agreement that's in trust. Some of that will be committed. As I've said, it's money that is rolled out over a number of years to a number of different projects. I'm happy to provide some more information about some of the projects that have been funded through what I call the Tasmanian Forest Agreement residual money. That's as much information as I can give.

CHAIR - I'd be interested in what programs and initiatives this funding intended for.

Mr MORTON - Yes.

CHAIR - So that's a question again on notice; I appreciate that.

Mr BARNETT - Chair, I am more than happy to take that on notice to assist the committee.

CHAIR - Thank you. My next question is around Sustainable Timber Tasmania. It's allocated approximated \$1 million for the special species timber management. I'm interested in how much money was spent by STT on special species timber management in the 2021-22 financial year and how much is allocated for 2022-23 for this task.

Mr BARNETT - Thank you, Chair. If we're asking questions of STT it might be difficult for the department to answer, because they are matters for Sustainable Timber Tasmania. I'll just check with the Acting Secretary.

CHAIR - Fine. If there's a million dollars allocated is it a government allocation?

Mr BARNETT - Can you be more particular with that question, Chair?

CHAIR - In prior years there's been a million dollars allocated, so I'm interested whether that million dollars allocated continues to be allocated for special species timber management.

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Mr BARNETT - I'll check with the department if they have that information regarding specialty timber.

CHAIR - Again, I'm comfortable to have that provided at a later time.

Mr BARNETT - I'll pass to Al Morton.

Mr MORTON - Through you, minister, thank you. Sustainable Timber Tasmania receives a community service obligation from government, which is \$8 million. That allows them to undertake a range of activities, around maintaining access and activities on the Permanent Timber Production Zone Land. I'm advised that Sustainable Timber Tasmania does not spend any of their community service obligation funding on special species harvesting activity.

CHAIR - Okay.

Mr MORTON - But they do spend a component of that community service obligation funds in terms of management of the special species, the Huon pine stockpile, because that is an agreed thing that they can spend that community service obligation money on. Specific questions, as the minister said, about what they're doing at an operational level in terms of the Huon pine stockpile would need to be directed to STT.

Mr VALENTINE -Is the policy of government paying the superannuation liability for Sustainable Timber Tasmania still the case? Are you ever looking at reversing that and having them satisfy that cost themselves?

CHAIR - In other words, stand on their own two feet?

Mr BARNETT - Yes. I think we made those very significant reforms some years ago, and now STT is operating on a sustainable basis with profits in those four years. I'll see if the Secretary wants to add to that? Chair, if I could have a short comfort break?

CHAIR - Okay. We will suspend the sitting for - just till 12.30, thank you members.

The Committee suspended from 12.24 p.m. to 12.28 p.m.

CHAIR - A question from the member for Hobart in regard to superannuation.

Mr BARNETT - Thanks very much for the question. As I've indicated, Sustainable Timber Tasmania has had four successive profit results and is operating on a sustainable basis. That was the whole reason for the reform more than four years ago, so I'm very grateful for their efforts to become sustainable after many years of not making a profit. We're pleased about that. They are on a stronger financial footing, but it remains a challenge. That's why we provide support and resource security for the industry.

In terms of STT, there are no plans to revisit that matter. We made those changes at the beginning of the reform process more than four years ago. It's now operating sustainably with small profits over that four year period. Last year it was a \$3.9 million comprehensive income and an underlying profit of \$1.7 million. So there's no plans to change.

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Mr VALENTINE - What's the quantum of the foregone figure on superannuation.

CHAIR - Somebody has to pay it.

Mr VALENTINE - Yes. Consolidated Revenue pays it.

Mr BARNETT - That was the decision made four years ago. Now STT are operating on a sustainable basis. That's a matter for Sustainable Timer Tasmania and these questions relate to Sustainable Timer Tasmania. This is the Estimates for this portfolio, not STT. But hopefully that will assist the members to know that it's operating on a sustainable basis and that's a matter for STT. They need to deal with those matters, including superannuation.

Mr VALENTINE - As the minister responsible for the policy around that, I'm just wondering whether you can give us the total amount that they don't have to pay. It's paid by Consolidated Revenue. You don't have that figure in your head?

Mr BARNETT - That decision was made four years ago. I don't know if the department has the amount from four years ago.

Mr VALENTINE - They don't have that? All right.

CHAIR - Is that available? Is that quantum available, minister?

Mr BARNETT - Yes, I'm sure. Any decisions we made four years ago in terms of reforms, I'm more than happy to alert the committee and the member.

Mr VALENTINE - Can we put it on notice?

Mr BARNETT - It was more than four years ago now; I don't have those figures. I'll check if the department has those to hand.

Mr VALENTINE - Can we put that on notice or is that not some -

Mr BARNETT - Please feel free to put that on notice. That will assist the member.

CHAIR - Thank you, okay. All right, thank you, minister. I think it will be quite useful for the mechanics of the committee to have 2.5 out of the way. We'll now move to 4.2, which is mineral resources. Do you need to change anybody at the table?

Mr BARNETT - Yes, we do. We need to do a change at the table.

CHAIR - All right, thank you, thank you all. You are leaving us.

Mr BARNETT - Thank you to Ingrid [TBC 12.31.16] for your support and help.

CHAIR - The committee will provide a written request for answers to questions, and they will come at the end of the day.

Output group 4
Resources policy and regulatory services
4.2 Mineral Resources

CHAIR - Before we invite Mr Jacobi to provide an answer, I would like you to introduce some of the people who have joined us for Mineral Resources.

Mr BARNETT - Yes, of course. Thank you very much, Chair. Those who have joined us are Brett Stewart, Deputy Secretary from the resources branch of Minerals Resources for the Department of State Growth and also Kevin Robinson, MRT Director.

CHAIR - And expert.

Mr BARNETT - Expert. We have an answer to an earlier question.

CHAIR - Thank you. Answer to a previous question.

Mr JACOBI - Thank you through the minister, to the Chair. In response to your question about what are the department's strategic priorities, I'm pleased to advise that the department has developed six updated strategic priorities that will guide the future delivery of the department's activities. Those six priorities are: 1. To enable business and employment opportunities through sustainable growth of Tasmania's productive industries; 2. To deliver best-practice legislative and regulatory systems and support programs to enable a sustainable future for Tasmania; 3. To put Tasmanian Aboriginal people at the heart of managing land, sea and country; 4. Protect and strengthen Tasmania's cultural and natural values; 5. Enable authentic and rewarding experiences of Tasmania's cultural and natural values; and lastly, 6, probably the most important, build a high performance department driven by our people and our systems.

Ms HOWLETT - Thank you, Chair. Minister, continued exploration is vital to ensuring the long-term future of Tasmania's mining sector. Can you provide the committee with an update on the Government's efforts to boost exploration?

Mr BARNETT - Yes, thank you very much for the question. Nothing can be more important than supporting our world-class mining and mineral processing sector and as the Government, we are its strongest supporter. A total of 64 per cent of all our export valued more than \$2.9 billion a year in the 12 months to March 2022. It was exported thanks to the mining and mineral processing sector. An amazing statistic.

It supports 5000 jobs around Tasmania, many in rural and regional communities. With almost 60 mineral exploration projects either underway or completed through the supported Exploration Drilling Grant Initiative, we are now opening the seventh round of the program for applications. In this round, we're making funding of more than \$500 000 available to the sector. The program provides co-funding of up to \$50 000 for drilling purposes and \$20 000 for helicopter support, if required, for the exploration of new greenfield sites as well as existing mine or mining lease sites to identify lucrative deposits suitable for extraction.

Over the past two years alone, the sector has also returned tens of millions of dollars to the state's bottom line through royalties, licences, fees, and delivering those services that we need, whether it be Health, Education, roads, keeping Tasmanians safe. We're very grateful to

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the industry for that return on funds invested. Mineral commodities found in Tasmania, such as zinc, tin, copper, are fetching near-record prices at the moment on international markets. We should note that. There's been an expansion of our mineral sector and that means an even bigger return for the Tasmanian taxpayer.

So, Chair, through you, we've helped get some \$1.6 million worth of mineral exploration drilling under way since 2018. The estimated return realised through the program is \$3.40 for every \$1.00 of public investments. A very good return on funds invested. That's before the full mining licences are sought or granted and any new mining activity gets started, meaning the long-term potential return on investment is much greater still.

With the taxpayers' money to be spent, I'm so pleased that we can open this more recent round. It's supporting those 5000 plus jobs in the sector. That round will be open until 8 July and successful applicants will be announced towards the end of July. Then you'll see those potential applicants. You can find more information on the Mineral Resources Tasmania website. We are very pleased with that initiative. It's part of the Government's agenda to support and encourage more mining and mineral processing and exploration in Tasmania

CHAIR - Thank you. Minister, interestingly, if you go to Budge Paper No. 1, page 99, mineral royalties, the forecast actually reduced quite significantly. Do these forecasts include the likely restart of Mount Lyell and the MMG continuing operations that may need to slow if there are delays to the building of a new tailings dam.

I'm happy for Kevin to move his microphone when you need him to.

Mr BARNETT - Thank you. I'm always at the ready to need Kevin because he is an expert in this space. Those figures you're referring to are very conservative figures done by Treasury. You would have noticed a significant increase from the year before last to this last financial year. Going forward, we are encouraged by the positivity in the sector but with respect to the specifics of your question, I will pass to Kevin to add to that answer.

CHAIR - My question is around Mount Lyell and then MMG as well. Thank you.

Mr ROBINSON - The large part of the decrease in royalties forecast is to do with the exceptionally strong and record commodity prices that we're currently seeing. As the minister has said, a fall is forecast over that period back to, shall we say, slightly lower but still very high prices. It's also reflecting the potential for a stronger Australian dollar.

These forecasts we take for commodity prices come from the federal government as well. We check them to make sure they align.

We haven't factored in the Mount Lyell situation. As you are aware, it's currently under an option for sale to New Century Resources. We don't factor that in. The numbers for the MMG operation are factored in, as Rosebery is a continuing operation.

CHAIR - So, you're not considering any impact for the delay to the building of the new tailings dam?

Mr BARNETT - Sorry, you're talking about -

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CHAIR - At MMG.

Mr BARNETT - At MMG. No, the prognosis is on the basis of what we know now. With respect to MMG and Rosebery, we are supportive of the environment and planning approval process, and we are not supportive of radical environmentalists who are impeding or trying to thwart that process. We believe in the right of workers to work, and the right of businesses to operate, so we are operating on the basis of what we know now to be the case.

We are very supportive of the 500 jobs and their families at Rosebery and MMG on the west coast, not to mention the supply chain that takes that zinc all the way across TasRail - and the workers involved in TasRail - all the way down here to Hobart. It's very important Tasmanians know that we need more of our mineral products to move into this renewable future.

With respect to CMT, if I could just make the point, we are very encouraged by the feedback we're getting from New Century Resources. I'll be there on Wednesday and Thursday in Queenstown, catching up with New Century Resources and getting an update, but we're in very close contact with them, as is the department and Kevin, and the feedback is very encouraging.

In the Budget papers we have to include information that we know now. You would have seen on the weekend more encouraging signs in terms of CMT, and exploration more generally.

CHAIR - Quite a large article, actually.

Mr BARNETT - Yes. Sean Ford, I give him credit.

CHAIR - 'Export sales gangbusters'.

Mr BARNETT - He does a lot of good work for his newspapers and he's really well-connected. It's very encouraging in terms of exploration growth. The signs are positive, it's very encouraging.

CHAIR - I think this is worth a quote on *Hansard* from Steven Polk: 'They're saying you can't go green without mining. They want batteries, they want renewables, and it ain't going to happen without mining.' I thought that was quite good.

Mr BARNETT - I agree with Steven Polk, and I thank him for his observations that are now in public. He speaks as he sees it, and he's actually spot on. You can't have a renewable future without mining and mineral products, whether it be lead, copper, zinc. We've got nickel out at Avebury and prospects for the future are looking very positive, and of course tungsten on King Island, with the mine getting re-established in recent months. Again, big investment there, and we're backing them with another \$1 million dollars in our Budget to reconnect with the electricity infrastructure on King Island.

CHAIR - And the support for MRT itself, \$800 000 over four years.

Mr BARNETT - Yes. That's a significant amount of money. I've been well lobbied by not just the industry, but MRT, I think successfully so. I say congratulations, well done,

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because it's money well spent. They are responding to the growth in the mining and mineral processing sector. They want more support from MRT to allow them to do what they need to do to grow our mining and mineral processing sector. That's happening. We're in a growth phase, that's very encouraging, with more than 5000 jobs in the mining and mineral processing sector, so as a Government we need to support Mineral Resources Tasmania to deliver that support to the industry.

CHAIR - Is there a full contingent of MRT staffing at the north-west site?

Mr BARNETT - Yes. I'll ask Kevin to do an update, if that's okay, but I was just out at the Mornington site. We've done a major expansion at the Mornington Core Library, with some 700 kilometres of core, which is so important for mining and mineral processing sector - and our roads and construction sector. They have access to that as well, and they appreciate it, which they passed on to me in recent weeks. So I might ask Kevin to add to that answer.

Mr ROBINSON - Yes, thank you, minister. We have 12.5 full-time equivalents in the Burnie office. We also have 9.8 full-time equivalents that are statewide, so they operate between Hobart, Burnie and throughout the state. We also have 25 full-time equivalents between Rosny and the Mornington Core Library. So, with regard to Burnie, 12.5 full-time equivalents -

CHAIR - Is that a full contingent?

Mr ROBINSON - That is a full contingent at this time, but I can say that the services we're supplying there do have us under further demand at this point, so to have this initiative is extremely helpful.

CHAIR - Right, so we could see an increase in staffing numbers at Burnie into the future?

Mr BARNETT - Well, we've made the allocation in the Budget over the four years to respond to the needs of the industry. Obviously, the industry has a particular presence in the north-west and west coast, but it does apply statewide. So that's not a decision for me, that's a decision for the director of Mineral Resources Tasmania as to where those resources are exactly spent, and I'm sure it will be spent very wisely, Madam Chair.

CHAIR - Okay, thank you.

Mr VALENTINE - Just a very quick question on that.

CHAIR - Supplementary?

Mr VALENTINE - Yes, just supplementary. Have there been any particular issues with that move that have been difficult to address, or has it been smooth sailing?

Mr BARNETT - Well I think initially it was challenging, but we've responded to the challenge, and Mineral Resources Tasmania did respond, and -

CHAIR - Paid relocation costs, et cetera.

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Mr BARNETT - In terms of the relocation, and of course some costs around that. I'll pass to the director, who might want to add to that.

Mr ROBINSON - Thank you, minister. May I also say the deputy secretary has lived with the relocation longer than me as well. With the transition there have been some teething issues to start with, but the office is well established, well respected and well set up at this point, and I will say that's due to the support the Government has provided through that difficult period.

Mr VALENTINE - Were there staffing issues, like people not wishing to move? Can you describe a little more what the teething issues might have been?

Mr BARNETT - I'll pass to the deputy secretary.

Mr STEWART - Thanks, minister. Initially we had some reluctance for southern-based staff to relocated.

CHAIR - We don't understand that from the north, but go on.

Mr STEWART - No, I don't understand it either.

Mr VALENTINE - I'm not going there.

Mr STEWART - We had some reluctance, and we were able to find other positions for those staff who were reluctant to move. But a very pleasing aspect of the move is that we were able to attract some fantastic new recruits from the west coast and from the north-west, and from the mainland, to come into the office in Burnie. As Kevin mentioned, the office is now really well established and is co-located with some other complementary areas of State Growth, which work directly with the manufacturing industries, for example. So that synergy is working really well.

Mr VALENTINE - What about access to the minerals library and things like that? Has that proven an issue, or have you been able to overcome those sorts of things?

Mr BARNETT - Thanks very much for the question. I should note that the move started back in 2016.

Mr VALENTINE - Yes, I know. It's a fair while ago now.

Mr BARNETT - We're talking six years ago.

Mr VALENTINE - Yes, but it's always good to check in.

CHAIR - Brett's not the only one who has been on this journey, I can assure you.

Mr BARNETT - He has a good memory, but I think many of us here know about the move at the time. As I say, it commenced in 2016, and we're now in 2022. In terms of the core library and having that accessible to the industry and the building construction sector, it's going really well. I'll ask the director to outline the importance of the core library and how it's been well received by the industry.

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Mr VALENTINE - Well, the question was with respect to whether there had been issues having staff in the north being able to access the core library in the south. Whether there were any logistical issues and problems - that's what the question was about.

Mr BARNETT - Sure. The point that I'd want to make, with the 700 kilometres of ore that we've got there, we have people based there from MRT to oversee and manage and then make available to the industry that resource. But I will ask Kevin to respond.

CHAIR - They probably know how to drive south, Kevin. Is that what you're going to tell us?

Mr ROBINSON - Thank you, Madam Chair. As you said, those people who are using the core library from the north plan their trips accordingly - which is great, because it gives us the opportunity to all get together in relation to these matters.

It's been extremely valuable, too, in terms of the collaboration that we have with the University of Tasmania, because the university would be our largest stakeholder in terms of visitation on an annual basis. We had more than 850 visitors registered in the last year, and that doesn't include any of the construction people. It covers a wide variety of people, and it enables our geologists to be able to work in closely with them and be almost ready at call for those people who are visiting from other sectors. It could be Hydro, it could be industry, exploration.

Mr VALENTINE - Has it added to costs, having that distance between the core library and the administration? Has that added costs in terms of the number of people travelling backwards and forwards, or are you managing to overcome some of that through, I don't know, digital technology or what?

Mr BARNETT - Yes, thank you for that. Of course, the core library was never planned to move. The core library and the associated facilities, just to make it clear.

Mr VALENTINE - No, that's all right.

CHAIR - Who is going to pick up all of those rocks and take them?

Mr BARNETT - We have reinvested. My point is we have invested in the core library and those associated facilities, with the opening just a few weeks ago of that additional facility, that makes it even easier and better for industry to access the core library. It has been pretty seamless as far as I'm aware, and the feedback from industry has been very positive. I will just check if the director would like to add to that.

Mr ROBINSON - Through you, minister. In regard to our people, as indicated, it has been seamless. There's been no effective cost, they just adjust their logistics and scheduling accordingly. As far as industry is concerned, as the minister has said, we have had a fantastic response.

Mr VALENTINE - Okay, thank you.

Ms HOWLETT - Whilst we are still talking about it, minister, are you able to provide me with the details of the upgrades that were undertaken?

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Mr BARNETT – Yes, I can. Mr Kevin Robinson on my right can also assist because, in terms of the upgrades, it's a very significant investment. I thought it was more than 700, I'm advised that it's now more than 800 kilometres of drill core that's available at the core library, and consisting of some 70 000 samples. So, that would be useful if I could alert the committee to more information in that regard, but I know that we had a good opening just a few weeks ago and the feedback was most appreciated. It was an \$2.7 million investment and that's all about backing in the mining and mineral processing sector. I won't add too much more than that because I know the director is sitting on my right and might want to add to that answer to further assist the committee.

Mr ROBINSON – Thank you, minister, and through you. This upgrade has been particularly significant for our industry. If you recall, at a period in time when we had COVID causing all sorts of issues, one of the issues that COVID did cause was an issue for state roads in terms of the testing for quarrying, which is done via people from interstate. This upgrade has enabled us to now undertake some of that testing that is going on in regard to the quarrying. It's bringing home. The whole ambition here is to bring home quite a lot of these testing services overtime, with the upgrade in laboratories that we have. It's also enabled us to undertake new forms of geotechnical services which we haven't been able to provide previously.

Also, it has provided an up-to-date front end for Mineral Resources Tasmania's engagement, and it has created much better integration of the collaboration between groups such as TMEC, UTAS, CODES, and so forth, in terms of teaching of students. We do a lot, we have been able to expand our services in relation to analytics such as the high logger that we have as well. So this is only, obviously, part. The industry is very appreciative and they have very high utilisation of the core library.

Mr VALENTINE – Did you say high logger?

Mr BARNETT - Yes, explain the high logger hieroglyphics in terms of a committee and the public, so you have to explain there's investment in the high technology that benefits, not just the mining and mineral sector, but the building and construction sector.

Mr ROBINSON – Thank you, minister, and through you. The high logger is the hyperspectral scanner, which sounds like a lot of, I guess, jargon. But in actual fact, what it provides us is quite detailed analysis of core without having to actually rate the core and do the split. That provides us, in particular, with analysis which we can use for alteration, looking at how rocks have altered overtime. That alteration can be particularly important. So if you're close to an ore body, for example, it will create a signature within the surrounding rocks which will be picked up in that alteration. So for EDGI, for example, the EDGI program we are aiming to high log all of that core so that we can make that information available, and that very much boosts our database for industry and the potential to find more lines.

Mr VALENTINE – Thank you. That's very well explained, thank you.

Mr WILLIE – Yes, and that probably goes to your question earlier, Chair, about the royalties. But on budget paper 2, volume 1, page 295, there's a cut in real terms but also in monetary terms over the forward estimates in the expenditure line item for mineral resources. I'm just interested, given the minister's comment, I think it was \$1.40 return on investment and

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we're seeing - \$3.40, even better. But we're seeing it decline there over the forward Estimates. Is that linked directly to the royalties?

CHAIR – Is that the cautious Treasury?

Mr BARNETT – Yes, I think you might be referring to the expenditure line there.

Mr WILLIE – Yes, I am.

Mr BARNETT – Yes, so there's rolling initiatives that go through to the forward estimates and they come on and then they come off. But I will ask my deputy secretary to explain that and add to that answer.

Mr STEWART – Thanks, minister, and through you. So that line has a combination of funding. It represents base funding, which pays for salaries and rent and all of the normal operating costs. And then on top of that, it does also have some other elements which are temporary. So initiative money for the different initiatives which have been announced over previous budget years, and also carry forwards, where some money may remain unspent and initiatives may go into the future. So that explains the variation in figures across the outyears.

Mr WILLIE – So it's not like a limit on expenditure because the royalty are forced to decline or forecast to decline?

Mr BARNETT – No. Just in terms of the budget process, we are talking, obviously, about this financial year, but then going forward over the forward estimates the next four years. And as we consider the challenges and opportunities of the industry in future years, we will respond to that in the usual way, as a government. The figures that you have got there are the here and now, over the next four years, but in terms of how the government might respond in future months and years, will depend on the circumstances. They are very positive at the moment. The prospects are very positive. They are in a growth phase as an industry. As to your article, through you, Chair, on the weekend you saw their prognosis for the future, that we are working with them, partnering with the industry, to ensure that they get the support that they need to grow.

CHAIR – Does that explain any of the grants and subsidies, nothing in the forward estimates – I know some of it belongs to forestry policy but it's also under mineral resources, and there's nothing moving forward, no predictions, no allocation of funds -

Mr BARNETT – I think it's fair to say that they all get considered again in the budget context. So this time next year you might find that those figures have changed.

Mr WILLIE – Also, just a follow up from my question too. That expenditure line item I was talking about, it obviously contains wages, we just heard that. In Budget Paper 1, there's an explanation that there's a 2.5 per cent indexation for wages, so you're seeing it go up a small amount compared to inflation, but that's got to eat into the other programs too, doesn't it?

Mr BARNETT – Well, the government has a wages policy which I think you probably heard the premier respond to last week in Question Time. We're certainly very supportive of affordable and fair and reasonable wages for Tasmanians. That remains the case and there are a lot of hard-working employees in the state service, and they absolutely deserve that. As a

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government, we continue to uphold that policy, noting that there are negotiations with relevant unions. Across the state service, those discussions and negotiations are ongoing and they are relevant to different groups within the State Service. The 2.5 per cent level of wage indexation, which you've sort of referred to in your question, is an allocation for the purposes of developing the Budget. It's not specifically a wages policy.

Mr WILLIE - It's not reflected in this line item though. You'd see it go up by 2.5 per cent across the forward Estimates; it's going down. I know there's other expenditure in there as well as wages.

Mr BARNETT - Just to be clear on wages, we'll continue as a government to negotiate with those employees in good faith. We are mindful of the fact that wage outcomes have an impact on the Budget. The Budget simply outlines where we are now. Exactly where we'll go in the future determines on those negotiations to ensure that we get fair, reasonable and affordable pay rises for the State Servants and across the community.

CHAIR - Thank you. Thank you, minister, that concludes the morning session. We shall return to resume at two minutes past two o'clock following the lunchbreak. I thank everyone for their attendance and contributions this morning.

The Committee suspended from 1.01 p.m. to 2.00 p.m.

Output group 3

Housing services

3.1 Housing Services

CHAIR – I'd like to recommend the broadcast and, minister, I invite you back to the table. You certainly have a wide variety of portfolios. This one you have responsibility as the Minister for State Development and Construction, and Housing. Our first output group is 3.1. I feel sure that you would like to introduce your team at the table, and you most likely have a brief overview of this area. Thank you.

Mr BARNETT – Thanks very much, Chair, and thank you for the opportunity, members. I introduce at the table Michael Pervan, Secretary, the Department of Communities; and the Deputy Secretary, Peter White, of that department and of course, in respect to Housing and Homelessness, I do have other officers whom we can bring to the table as and when required to suit the committee.

CHAIR – Thank you, minister. We welcome experienced Estimates campaigners to the table.

Mr BARNETT – That's correct, we certainly do. We're with you there. There is a lot to do and say, in terms of this portfolio. Previously it was known as State Growth. The State Growth department remains that and continues with its important work, but State Development requires a broader approach. It has such an important connection with our construction and housing industries, meaning having these portfolios so closely connected presents many opportunities for closer collaboration.

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We continue to have in place a range of loans, grants, initiatives, and other support measures. Our approach is to not only keep investment coming into the state, but to grow the number of economically and socially responsible projects that take place. It is a combination of government and the private sector investment and government and private sector ideas; ideas that support the community and the economy.

We also know that an active building construction industry helps to drive a strong economy, delivering intergenerational infrastructure and housing solutions for Tasmanians. To deliver on these solutions, we've partnered with the building construction sector recently through an MOU, building Tasmania's future to ensure a transparent pipeline of works and strong businesses and resilient supply changes.

I know many Tasmanians are doing it rough right now and all Tasmanians deserve a roof over their heads. That's why the Tasmanian Government is delivering the most ambitious and comprehensive social and affordable housing program in the state's history. The Budget forward Estimates provides \$538 million in capital investment in social and affordable housing, in this financial year coming, \$204 million.

To further accelerate the availability of land supply for new housing, the Budget provides for the extension of the Headworks Holiday program, doubling the residential land rebate from \$15 million to \$30 million. We also have supported affordable housing with \$9.3 million into our Private Rental Incentives Program. I know we'll speak more about that. That's already providing 300 properties for housing registered tenants in the private rental market.

We're expanding the HomeShare program, which will allow low income Tasmanians and first home buyers to buy their own home with a deposit as low as 2.0 per cent. Vulnerable Tasmanians need emergency shelter and assistance right now and we're spending \$36 million on wraparound services to provide the help and services they need. I want to thank the 17 specialist homelessness services, Housing Connect, Front Door, and the Safe Spaces for the amazing work that they do.

To ensure Tasmania continues to have the most integrated housing system in the country and deliver on our ambitious plan, we are creating a dedicated housing authority. That will leave no stone unturned in delivering the housing and homelessness services Tasmanians deserve. I'd like to recognise the staff of Communities Tasmania and all the organisations that provide housing support services to the 14 000 Tasmanian households every day. They do an incredible job, and in my newish role in this regard, I pay a tribute to them.

Maintaining our focus on investment attraction and facilitation remains vitally important during these times and our focus is clearly working. We've got the Launceston City Deal. It aims to deliver a coordinated approach for planning, policy reform, and leveraging infrastructure investment in Launceston, and with success. The Deal is managed through the Office of the Coordinator-General, which also continues to deliver significant investment in our state. These investments range across most of our core industries; mining, mineral processing, agribusiness, tourism, food production, energy and industrial, and digital economy, and forestry to mention a few.

Lastly, I'll just touch on the draft 30-year Greater Hobart plan which is currently open for consultation. I met with the four mayors last week. We had an excellent catch-up meeting and dinner together. The draft plan recognises that Hobart is growing and changing and that a

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strategic integrated plan is needed to guide the right development into the right places and help our capital city to flourish into the future. Chair, I'll leave it there and look forward to questions.

CHAIR – Thank you very much. I invite Mr Willie to commence the questioning in this very important area of scrutiny. Thank you.

Mr WILLIE – It is a very important area. Thank you, Chair.

Minister, I'm interested in the Housing dashboard figures and the relation to the AIHW figures. Your figures include public housing, Aboriginal housing, community housing, Indigenous community housing, and the AIHW list includes public housing, social housing, community housing, Indigenous community housing. The figure for your dashboard is 13 868 and the AIHW figure is 14 274.

Are the figures that you used for the dashboard ones that you relay to the national body, or is it a fact that this is the number of people housed in the state, not dwellings? I'm interested in the discrepancy there.

Mr BARNETT – Thanks very much for the question. I understand where it's coming from and the slight discrepancy. We have an expert at the table, as in Peter White, so I'll pass to the Deputy Secretary.

Mr WHITE – Thank you, minister. The Report on Government Services (RoGS) data includes figures that come in from the community housing providers. Not all of that is captured by us and there is some unreliability in some of that data. For example, what you may find included in RoGS data is a number of the sort of things like housing co-ops and some other areas that aren't necessarily captured in the data we're talking about with social housing.

It's very clear when we're trying to talk about the households and social housing. It's those that have come either into public housing historically, or since we've had Housing Connective come through the housing register and meet that eligibility.

Mr WILLIE – I have a follow-up question and I'm happy for you to take it on notice if need be, but what is the net gain or loss of public and community housing properties; that is, the number of properties built less the number sold under the current Government and over the last year? I'm after two different figures.

Mr BARNETT – Okay. I think you're aware that we're on target to build 1500 new homes by 30 June next year.

Mr WILLIE – I'm aware of targets.

Mr BARNETT – With respect to the further specifics of your question, I'll see if the Deputy Director can assist us.

Mr WHITE – Thanks, minister. Over the period from 2016 to 2022, we've been really the only jurisdiction to keep pace with population growth in terms of social housing. If you're looking at the report on government services data, the June 2020 figure showed total social housing dwellers of 13 812, an increase then in June 21 to 14 056, which is an increase of 244. That's the most current data we can provide in terms of the RoGS data.

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Mr WILLIE – Yes. In recent times.

Mr WHITE – So that shows in the financial year of 2021, there was an increase of 244 dwellings.

Mr WILLIE – Yes. I'm also interested in the figure from back in 2014 to now.

Mr WHITE – The last eight years.

Mr WILLIE – Yes. I'm happy for you to take it on notice, minister. I'm aware of the targets, but we're looking back on your record.

Mr BARNETT – So you're looking back. Let's just pause for one moment and we'll see if we can assist the member.

I knew the Deputy Director would have access to this comprehensive information. So, let's pass to the Deputy Director.

Mr WHITE - We're cautious with the RoGS data in that it doesn't necessarily present that full picture but using their data at least allows for some consistency in what we have.

Mr WILLIE - Just on that, before you keep going, isn't the RoGS data what you report to the Productivity Commission?

Mr WHITE - No, the RoGS data is actually collated by AIHW. So, what actually happens in that process, the AIHW contacts and sends out information to the states as well as the community housing providers and other community housing organisations and it then collates that data. So, the data doesn't - some data comes from the state but not all of it.

Mr WILLIE - Okay, thanks for the clarification.

Mr WHITE - It's okay.

Mr BARNETT - Thank you. I pass back to the Deputy Secretary.

Mr WHITE - So, if you're looking at the RoGS data around social housing dwellings, what we've seen between the last set of data, we had, - which I said was the 2021 data, as of June 2021. If you go back from 2013-14 to then, the overall increase was 567 dwellings over that period.

Mr WILLIE - Okay, and something that's been topical in previous years is the housing debt waiver which put a constraint on some housing investment, historical legacy, but I'm interested in how many homes have been built to date with the housing debt waiver funds?

Mr BARNETT - Thank you. Yes, thanks very much for the question because this was an historic agreement between the Tasmanian and federal government, September 2019. So, the waiving of the debt, the debt was \$157 million to the Commonwealth, for which we're very grateful that it was waived. The debt waivers made available \$58.4 million to be invested into the program of works through to June 2023 and that equates to around \$15 million in additional funding each year and will provide housing assistance to around 400 households by June 2023.

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Mr WILLIE - And to my specific question, minister, is how many homes have been built to date with the housing debt waiver funds?

Mr BARNETT - So, if I could pass to the Deputy Secretary. I mean, obviously you're drilling down but I'll just see if we can assist the member.

Mr WILLIE - It's our job to drill down, minister.

Mr WHITE - Thank you, minister, through you. So, at 31 March 2020, we've had 255 homes provided under the debt waiver agreement. That includes 174 new social housing properties/homes, 32 units of supported accommodation, which is now represented at the Mountain View facility at Goodwood, which you would be familiar with.

Mr WILLIE - Yes.

Mr WHITE - We've also been able to purchase or repurpose 21 additional homes that have gone up for social housing and 28 additional properties which - through the expansion of the Private Rental Incentive Scheme. So, some of the funding for the debt waiver has also been applied to that program to increase the capacity of the PRI.

Mr WILLIE - Do you know how many homes have been built in the last financial year with the housing debt waiver funds?

Mr BARNETT - Yes, I've got some figures on that. During the 2021-22 financial year, as at 31 March, 104 new social housing homes had been built with the debt waiver funds.

Mr WILLIE - Thank you. How much of the housing debt waiver funds that are allocated in the current budget year are going to be spent on new construction of crisis and transitional housing, new construction of long-term social rentals, public and community housing stock and other housing?

Mr BARNETT - So, as I indicated earlier, the debt waiver has made available \$58.4 million to be invested into a program of works through to June 2023 and it equates to around \$15 million in additional funding each year. Providing housing assistance for around 400 households by June 2023. Under the debt waiver agreement, \$14.6 million has been allocated in 2021-22. Out of those funds, \$3 million has been allocated towards the construction of 15 transitional units for young people in Burnie, \$375 000 was allocated for additional homes under the Private Rental Incentive Scheme to assist more Tasmanians into affordable housing and then the balance being allocated to social housing supply.

Mr WILLIE - And what is that supply figure in the current budgeted year, minister?

Mr BARNETT - I don't know. I'll just check with the Deputy Secretary if we've got a figure on that but you can see that it's been used across a range of purposes to achieve the overarching ends and objectives that the government support those in homelessness or housing stress or vulnerable Tasmanians across a whole range of areas for which we are very creative and for which there has been substantial progress. I'll just see if the Deputy Secretary has anything further to add to that answer.

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Mr WHITE - Yes, sorry, minister. I was just trying to see if I had a specific figure on what was to be completed this financial year. If you're content, I can give an approximate number? Because I just don't have the number in front of me.

Mr WILLIE - I'm happy for the minister to take it on notice and give us an exact figure.

Mr BARNETT - We can -

CHAIR - Take it on notice?

Mr BARNETT - Do you want to take that on notice?

CHAIR - So, can you -

Mr BARNETT - We don't have the breakdown at the moment, but we'll take it on notice.

Mr WILLIE - Thank you.

CHAIR - All right, so, can I get the question clear. It is the number of houses that have been constructed?

Mr WILLIE - No, it's for the current budgeted year.

CHAIR - Current budgeted.

Mr WILLIE - Yes.

CHAIR - Current budgeted.

Mr WILLIE - And social housing, because the minister outlined the other spending.

CHAIR - Right. For social housing. Thank you. And minister, my question, if I go to the member for Prosser, is we know that the current wait list for Tasmanians looking for a safe home is 4400. So, approximately, it might even be more. People who have decided it's no point being on the list. So, I'm just interested in how you see those numbers moving forward if we're addressing 255 homes a year previously or 255 and now broken down by Mr White. So, where do you see the future for that 4400 number being?

Mr BARNETT - Just if I could clear the air in clarification for the record. The numbers you're talking about relate to the housing debt money that has been expended but then, of course, we have our own capital investment over and above that, and this year it is \$204 million. Over the forward estimates, \$538 million in terms of capital investment. Now, we can break that down for you over the forward estimates and I know the Deputy Secretary would be glad to do that. So, just to clarify we've got the debt waiver. Then we've got our own capital investment.

CHAIR - So, my real interest is in what is your forecast for those numbers to be reduced into the future?

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Mr BARNETT - Yes. So, the forecast for the numbers going forward is 1500 new homes by 30 June next year. Ten thousand new homes by 2032 and, of course, we've got around 14 000 at the moment in terms of households that we support across the state. So, that will be obviously a significant increase on that 14 000. I'll see if the Deputy Secretary wanted to add to that answer.

Mr WHITE - Well, no, as you say, minister, certainly there's historically high levels of funding gone into our capital program and we had, as it's been reported from our March figures, 1169 properties in the pipeline that - you know, as the minister said, our target is to have those completed by June of next year as part of that overall number of 1500 that has been talked about. So, as the minister correctly pointed out, the numbers we were talking about previously are purely related to the debt waiver funds.

In terms of housing register, we did have the data we had from March 31. It was 4405 and it has just come down slightly in the April figures to 4382. So, we have just seen a - we're not jumping for joy by any stretch of the imagination but since around October we've seen a decrease of around 120-odd households on that register. So, that's starting to, I think, show the impact of the new supply coming online. It's very difficult to predict where the demand is going. As the minister alluded to before, we have a very integrated housing and homelessness system. So that does mean that we really do, by and large, identify those people with housing need who can come onto our register, because of the fact they access through Housing Connect is quite easy to be assessed and come onto that register.

So it does give us a comprehensive understanding of the need, but there are a number of factors that come to bear when it comes to our register and the demand for marketing conditions to employment, to the general economic environment, I guess, and social and health issues as well.

CHAIR - So you're prepared to forecast a number for the next financial year? It will be remaining on that housing list?

Ms BARNETT - Well we would expect that list will be impacted by the 1500 new homes by 30 June next year. Of course, as the deputy secretary has indicated, there are a whole range of factors which go into that, economic and social, and other factors which impact on that demand. I'll just see if the deputy secretary can add to that.

Mr WHITE - Yes. I can certainly say that in the budget papers we put down a target which is 5025. That really represents, though, how we would be sitting on effectively the national average when you look at our provision of services against the need. So, with the interventions we are making we are obviously hoping that that number will not be that high. The last six or seven months have certainly showed that the housing register has plateaued and just come off a bit, which is excellent news.

Certainly, with the additional supply we're anticipating to come online in the next 12 to 13 months, we would anticipate - at least from that case - that the pressure, if you like, on the waiting list should reduce because of that supply. There are a number of other factors which will impact that housing demand. It's very difficult to predict those year on year going forward.

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CHAIR - How long is a piece of string? Obviously we don't know how many more people are going to go on the register, let alone those that finally receive the safe housing that they are entitled to. The Honourable Member for Prosser.

Ms HOWLETT - Thank you, Chair. Minister, could you please explain to the committee the Housing Connect model and the services it provides to our most vulnerable Tasmanians?

Ms BARNETT - Yes, I can, because it's a very comprehensive model which is designed to meet the needs of vulnerable Tasmanians, and it's a partnership. It's a partnership between our government and the non-government sector providing the best outcomes possible that respond to those needs of vulnerable Tasmanians, and the access to housing and homelessness assistance is through Housing Connect.

So the front door one-stop shop for all housing and support needs. 1800 800 588 is the number. There are a wide range of programs offered to people depending on their housing needs and level of support required, and those programs include homeless accommodation, supported accommodation, social housing, affordable private rental and affordable home ownership. People in need of housing assistance are matched to the product that best meets their needs, that's the design of it.

The single housing register provides a streamlined process for access and allocation for people in need of social housing. So the housing programs are being managed effectively and efficiently, and as I say in my opening remarks, there's a new minister for housing. I absolutely want to commend the community housing sector and all those who make a difference, and I've visited so many in the last many weeks and I'm so proud of what they do.

Through a period of increasing demand the government's been effective at managing housing services to maximise the deliverables from our programs and the efficiency of our assets while investing in building more homes and homeless accommodation for Tasmanians. At the end of March 2022, on average 86.7 per cent of people housed in social housing priority applicants - obviously not all properties are suitable for all applicants - and turnaround time for allocation of public housing properties was 27.5 days. The occupancy rate for public was 99.2 per cent.

So, we're ensuring that homes are provided to people who are most in need in a timely way. It should be noted that Tasmania actually has the lowest rate of homelessness per population nationally, and the government is committed to reducing homelessness and increasing assistance to people who are homeless when help is needed.

So the 2016 census, you might have noticed on the weekend there was a reference to it in terms of Tassie. 38.8 per 10 000 identified as being homeless in Tasmania compared to the national average of 49.8 per 10 000. So when considering the housing register in those questions earlier about it, not all applicants in housing need are experiencing homelessness. I just want to stress that point.

At the end of March 2022 there were 9.7 per cent - or 429 applicants - without conventional accommodation, such as sleeping rough, and the remaining 90-odd per cent of those applicants were in secure or temporary accommodation in that 3976 applicants.

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There are 20 homeless shelters, including safe spaces, in Tasmania which provide crisis, transitional and emergency accommodation for Tasmanians who are homeless or at risk of homelessness. Specialist homelessness services in Tasmania receive about \$30 million to deliver Housing Connect support, long-term supported accommodation and short-term homeless accommodation. In the budget just passed it includes - or just debated - it includes \$6.85 million to continue to provide safe spaces across the different regions of Tasmania: Hobart, Launceston and Burnie. That's an innovative integrated response for people sleeping rough which is uniquely Tasmanian, making a real difference every day and every night, to address homelessness.

We've delivered an additional 69 units of homeless accommodation as of 31 March 2022, and a further 105 units of new homeless accommodation will be completed by 30 June 2023. There's a lot more that can be said, but as I say I'm pleased and proud of the partnerships we have to address the homelessness issue, and also to indicate there's a lot more work to do. I've had roundtables, I've had feedback from those in the know who understand, and I appreciate the contributions that they already make, and I'm learning a lot. I look forward to working with them to help make a difference.

CHAIR - Thank you. Ms Armitage?

Ms ARMITAGE - Thank you. Look, my question's with regard The Housing Need and Supply Amendment Bill, basically. I'm just interested in how many tracts of land may have been transferred across to Housing Tasmania since the bill was passed, or how many are on foot to be transferred across.

Ms BARNETT - Thank you for that. Obviously, that is a fair crossover with the Planning minister, who is not me.

Ms ARMITAGE - No. But there's a housing -

Ms BARNETT - But in terms of - I'll just see if the deputy secretary has advice on that which does crossover the planning side of things.

CHAIR - And the information has just arrived at the table.

Ms ARMITAGE - Because it is obviously about building new houses and transferring land to Housing Tasmania, without council being involved. But obviously I agree, that's the Planning Minister for that.

CHAIR - I think the support in the Legislative Council was prefaced on the terrific outcomes from the Building Education Reform Initiative that bypassed councils.'

Mr WHITE - So, minister, through you can I advise of the addresses, if you like, that these have been put in place for? So, we've housing land supply orders approved at Huntingfield; Mooreville Road in Burnie; Roslyn Avenue, Romaine, which is also an area close to Burnie; Cambridge Road, Warrane; Allunga Road in Chigwell; Merindah Street, Howrah; Clarence Street, Bellerive. There's a site at Goodwood, sorry, I don't have the street address for that property.

Ms ARMITAGE - That's all right.

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Mr WHITE - Wildor Crescent at Ravenswood is in progress. So, sorry, those ones I mentioned above have been approved. In progress we have the Wildor Crescent site at Ravenswood, the Techno Park in Launceston -

Ms ARMITAGE - Yes. I have quite a few residents in Techno Park that are interested to find out what's happening there. How large is that tract of land?

Ms BARNETT - The Techno Park property? I don't know off the top of my head. I'll check if the deputy secretary can assist.

Mr WHITE - I can't provide an exact area of land, but I know that -

Ms ARMITAGE - How many houses?

Mr WHITE - If it was to be subdivided, it would be looking at approximately about some 100 to 110 lots of lands.

Ms ARMITAGE - Do we know the sizes of the lots? An idea, are they small? Well when you say 110, I've seen the land. I don't know who has been down there of late, but at Technopark it's a very new, very beautiful area, with many - I guess you would call some of them McMansions. I'm just wondering what size the blocks are, because there's always concern if we try to squeeze too many in. That's why I'm wondering about the size of the land, as opposed to 110 houses. Are they 400 square metres or are they more likely to be 700 square metres. Are they units?

Mr BARNETT - I will ask the deputy secretary to respond.

Ms ARMITAGE - Thank you. It is a difficult one because, as you would know, one of my concerns when this bill came to us is that the local council has been sidelined on this. To me, that's a real issue.

Mr WHITE - One thing I would note is that the housing land supply orders themselves are for the rezoning of the land.

Ms ARMITAGE - I appreciate that.

Mr WHITE - The subdivision then goes into council for approval. So that's the process we go through. With the block sizes there, what we would be looking at would be fairly much in line and in accordance with those areas. So, it's not a situation of using those orders to allow for very high density or whatever, if that was not appropriate for those particular areas. I haven't seen the subdivision plans for Technopark, but from what I understand it would be a fairly normal subdivision. I will use those words in inverted commas. I mean, some blocks might be as small as 450 square metres, others might be 750 or so. So this is what you are seeing with subdivisions, similar to the Huntingfield subdivision which does provide for a range of lot sizes, from quite small lots that can be affordable, et cetera, up to larger lots up to around 800 square metres or so of land.

Ms ARMITAGE - Which is probably the old normal, really, wasn't it - the 800 square metres?

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Mr WHITE - Certainly in years gone by. I think it's much smaller these days.

Ms ARMITAGE - One last question on affordable housing. A housing and transport strategy to help guide the creating of social affordable housing - when was the last one done? We looked at the southern areas and the northern areas. Obviously, you can't do an ad hoc subdivision, so I would have thought for large tracts of land or large areas - for those of us who have been on council, if you're putting a new subdivision in, you always have to make sure the infrastructure is there. You can't just go and say I'm going to build a hundred houses.

I'm just wondering about traffic and transport and housing, because all too often some of these are built - and particularly for people in affordable or social housing, they need transport, and they may not have access to cars. So I'm just wondering if you can say - have you done one of those in any area of late, or is it five, ten years since a strategy was done?

Mr BARNETT - Perhaps if I could speak to the affordable housing action plan, which goes to 2025. The strategy goes to 2025, and the action plan to 2023, so I will ask the deputy secretary to speak to that.

But I did want to also mention the greater Hobart plan, which I mentioned in my introductory remarks. I met with the four mayors, at the public consultation, and we did have a very productive and enjoyable dinner. And I wanted to indicate that in terms of Hobart, there's specific work going on. It's very comprehensive.

Ms ARMITAGE - And I do appreciate Hobart, but I take very seriously that I represent the north of the state. We often feel we are the poor relations, and it is very important to specifically ask some questions with regard to the north.

CHAIR - And responding as a minister residing in the north, in my electorate.

Mr BARNETT - Indeed. I know how important all parts of the state are, and I recognise the member for Hobart on my right. I'm just saying there's a lot of work going on, particularly with the greater Hobart plan, but particularly with our Tasmanian housing strategy, which goes to 2025. I will ask the deputy secretary to flesh that out so there's an understanding for the members about what's involved between now and the conclusion of the strategy.

Ms ARMITAGE - And statewide, not just southern, please.

CHAIR - Is that list completed, with the Technopark? Was that the end of the list?

Mr WHITE - No.

CHAIR - I would like the end of the list before you answer that question, if you don't mind.

Mr WHITE - The other two that were also in progress are Charlotte Street in New Norfolk and William Street in New Norfolk.

CHAIR - Thank you. That's the list as it stands at this time.

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Ms ARMITAGE - We were just hearing about the housing and transport strategy to help guide the creation of social and affordable housing.

Mr WHITE - What we have currently is an affordable housing strategy that was developed back in 2015. That's the strategy that we have been working under, to 2025. Then we have had two affordable housing action plans. The first was from 2015-19, and the second 2019-23, which essentially takes us through to June 2023. So those two action plans have outlined a range of new projects that have basically now been funded around capital projects, land release, homeless accommodation, supported accommodation and social housing, as well as things like our home ownership programs as well.

We are in the process of developing a Tasmanian housing strategy at the moment. That will be a statewide strategy and will highlight the future growth and needs of housing demand - not just in the social affordable space, but looking at some of those broader issues.

That strategy is intended to be a 20-year plan, to set us up for the next 20 years or thereabouts, in terms of looking at demographic change and the future projections of need in Tasmania, and then being able to identify where the housing is needed - and importantly, what type of housing is needed to meet that future need.

Ms ARMITAGE - And to make sure that there's transport, particularly for those people in social housing.

Mr WHITE - Yes. Certainly, we work very closely with local government, with State Growth and others in developing and looking at any of the projects we do, to ensure we're not putting undue pressure, if you like, on infrastructure, or putting housing where there's no public transport and the like.

We are focusing on projects that are brownfield, and in the city, where we can with those issues. And a lot of planning - even Huntingfield was a good example. We've done a lot of planning with metro and State Growth to make sure the streets are designed so the buses can get around. There are already bus networks there. It's important to note, too, that a subdivision like Huntingfield isn't just about social housing - it's a broad mix of tenures in those developments.

Ms ARMITAGE - Not to forget waste as well, because I know that's one real issue that people tend to forget. It's all very well that the buses can get around, but they forget that when the bins go out with some of these smaller blocks or with units, there has to be actual room for them to be out on the footpaths. From my time on council, I recall that was often forgotten when some developments went through.

Just two further quick questions in relation to it. Obviously, when it comes to these developments, they meet the requirement of green space? I know in the past that sometimes instead of having green space, you could actually pay a certain amount to councils. It's really important that there will be parks in amongst the social and affordable housing - so that will meet all those requirements?

Mr WHITE - Well, that's all part of the plan.

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Ms ARMITAGE - It is, but I am aware that sometimes that can be monetary, in lieu of green spaces. I just think, particularly if it's affordable or social, it's very important to have green spaces.

Mr WHITE - Certainly our planning is that. In the case of Huntingfield, for example, we have about 68 hectares of land, and almost a third of that land is intended as open space. Again, we're about doing good projects and good development. As I said before, even if the land has been rezoned under the housing land supply orders, we're still required to go through the normal process for land subdivision, and that includes your discussions about public open space.

In some cases it may not be necessary, depending on where the location is, and the councils are quite happy to take the payment in lieu for public open space. But where it's important - and that can come down to the scale of the development and how many lots you're talking about, et cetera - we obviously do make provision, and we will put in appropriate open areas for the residents and others to enjoy.

Ms ARMITAGE - So just the last question, with regard to Technopark. Where are you up to on the rezoning, and what was it rezoned from? I'm just trying to remember.

Mr BARNETT - Madam Chair, perhaps we bring Richard Gilmour to the table, who is responsible for our capital investment.

Mr GILMOUR - Excellent. So look, it's quite fortuitous, I just had briefing with Launceston City Council two weeks ago with Richard Jamieson and his planners. Basically, we submitted the Technopark report to rezone with the planning policy unit - sorry, the state planning office, as it's now called, in the Department of Premier and Cabinet. They have undertaken all of the preliminary work and are just about to go to formal consultation. Given the scale and, I guess, the sensitivity of that subdivision, or that rezone through the Housing and Land Supply Act process, we have provided what we have developed as a consultative draft of a subdivision design. Now we've done that through a number of iterations with Launceston City Council and TasWater and others. We have provided our liveability principles and urban design principles to come up with what we think is a really sensitive and well thought out urban design for that development. It is only an indicative subdivision design though because obviously once the 'if the order is approved', we need to go through the Council's normal planning process for subdivision approval.

Ms ARMITAGE - So what was it before? What was it zoned?

Mr GILMOUR - It was a specific area plan. They've delivered two. One, obviously, in Kings Meadows and one down here in Glenorchy.

Ms ARMITAGE - They're call centres, basically.

Mr GILMOUR - Yes, light industrial, I guess, is the closest under the scheme in a non-planning expert sense, because that's where I sit. So, yes, it was really looking at those sort of more corporatised light industrial type facilities, call centres, you know, not necessarily a concrete batching plant or anything like that. But effectively what we've looked at is what was the balance land. There hasn't been any interest in this land over a long period of time and it

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was - well, through our process, we're determined that residential development is the best use for this land and that's certainly the position supported by Council.

Ms ARMITAGE - You might have an idea of the size of it, Richard?

Mr GILMOUR - In terms of?

Ms ARMITAGE - Of acreage or hectares.

Mr GILMOUR - I can certainly get that for you. I know -

Ms ARMITAGE - If I could take that on notice.

Mr GILMOUR - Yes.

Mr BARNETT - Yes.

Ms ARMITAGE - That would be really interesting because it would give me an indication of how big they are with 110.

CHAIR - The land size for Technopark in Launceston.

Ms ARMITAGE - So just how far along is it then? Is it out for consultation now or going out for consultation?

Mr GILMOUR - It's about to go. We're waiting for the state planning office to basically get the letters out there. And as part of that, we'll run information sessions.

Ms ARMITAGE - Who are the letters going to? Are they going one plus one?

Mr GILMOUR - That's a really good question. They have increased the -

Ms ARMITAGE - Particularly if they're businesses. You know, it's really good to go to the dwellings not just the businesses that are out there.

Mr GILMOUR - Well, they should be directly letterboxed to the actual properties and so they've increased the - or broadened the scope of public consultation. Before it was you had to have a common boundary effectively. That is much wider now so it will give people a greater opportunity to make representation.

Ms ARMITAGE - I would like to know that. Can I take that on notice too? I would like to know where the consultation is going because obviously I expect quite a few calls, because it's in my area. It'd be really good to know at least those people are actually being consulted and it's not just going to one property plus the next-door neighbour and no further.

Mr BARNETT - Yes, can I say through you, Chair, more than happy to take that on notice to get details in terms of the size and the process in terms of consultation. I also know where you mean. I've been there and I'm familiar with -

Ms ARMITAGE - It's a beautiful area, isn't it?

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Mr BARNETT - With that site, and you are spot on. I mean, it's a beautiful site, and opportunity there for residential housing development in a nice, appropriate way, because it's such a delightful area.

Ms ARMITAGE - That's the point. If it's done appropriately. Some of the blocks, obviously, will be available for sale for the affordable housing, they won't all be built so they won't all be social housing, there will be just affordable blocks. Is that the situation? Sorry, through you, minister.

Mr BARNETT - Yes, that's all right. I'm just being advised it's 11.5 hectares.

Ms ARMITAGE - Thank you.

CHAIR - Eleven point five hectares, so that can come off.

Ms ARMITAGE - That's that part.

Mr BARNETT - That's the advice I've received.

Ms ARMITAGE - Do we have a percentage just of a social versus affordable, of how many - well, obviously there's going to be some plan of how many houses, how many blocks will be available, because I think that's important too, isn't it, to mix it up so that it's not just all - as we know, in the past. Sorry, through the minister too.

Mr GILMOUR - Through the minister. Our effective policy is that we look at retaining 15 per cent for social housing purposes. In considering that 15 per cent though, we do also look at surrounding densities as well. So if there is already quite a highly dense social housing properties around then we'll look at that when we sort of work out where is -

Ms ARMITAGE - Well there are not, so.

Mr GILMOUR - So out of the 109, we'll look at retaining 17/18 lots. That sort of number. In addition to that, we quarantine around 35 per cent for affordable home purchase. So through the Tasmanian government shared equity purchase program. So, this is targeting people who we can assist into home ownership. The balance are effectively open market sales but targeting first home owners, you know, owner occupiers, older people who might want to downsize, that sort of thing.

Mr BARNETT - Just for the record, it's 11.05 hectares. Just to clarify that matter.

Ms ARMITAGE - Thank you very much. And thank you, Richard. Thanks, minister.

CHAIR - Thank you. Mr Valentine.

Mr VALENTINE - Thank you very much.

CHAIR - Moving on from Technopark.

Mr VALENTINE - That's fine. So we will have seen in the *Mercury* in particular recent times where there were older women who - I think it was Redwood Village - were at threat of

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being evicted, if you like, because the National Rental Affordability Scheme was stopping and of course -

CHAIR - I think that's coming up.

Mr VALENTINE - Which one?

CHAIR - Rental.

Mr VALENTINE - Private rental incentive scheme, that's not it.

CHAIR - All right. Okay, continue on.

Mr VALENTINE - I just wonder whether - obviously these people are toward the end of their, you know, say, lives, I suppose, and one -

CHAIR - At 50, I hope not.

Mr VALENTINE - No, over 50. Quite a few of them would be over that. I'd like to know the numbers and, indeed, whether you have any idea of numbers of older women that are on the waiting list? If you can give me that detail, that would be good.

Mr BARNETT - You mean Redwood Village, or?

Mr VALENTINE - Not just Redwood Village, I'm talking about per se across the state.

Mr BARNETT - On the NRAS, National Rental Affordability Scheme.

Mr VALENTINE - Well either on the National Rental Affordability Scheme, and, of course, that's coming to a close, then that - you know, I know that with those particular people at Redwood Village, the state stepped in to assist them and that was, I'm sure, very much, you know - very welcomed by those residents. But there'd be much more than -

CHAIR - But there is more of those areas.

Mr VALENTINE - There'd be much more than just those people.

CHAIR - Well there's six units at Perth.

Mr VALENTINE - Just trying to get a handle on how many women, in particular. Because, let's face it, you know, they have lower levels of superannuation, they sort of came up through an era where child care was less available, they had to resign from work to be able to have children, they've got less superannuation and they're in this circumstance whereas if that scheme falls over, stops, which it indeed has, they're really got nowhere to go and a women's shelter is not a place for them even though some of them may indeed be experiencing sexual violence or domestic violence. So, you know, they're in a precarious position. So just interested to know whether you're looking particularly at that area and how many people we're talking about here.

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Mr BARNETT - Thanks very much for the question and I think it's really in two parts. You've got the National Rental Affordability Scheme which I can give you an update on and assist you with in terms of the breakdown of that. Then you've also asked about women in the housing register, and I think that's a separate question. Also happy to assist you -

Mr VALENTINE - But older women in particular.

Mr BARNETT - And older women in particular. So I'm happy to assist you there as well. So it's in two parts. So if I can start with the first part and to make it very clear, that's a Federal government scheme, NRAS.

Mr VALENTINE - Appreciate that.

Mr BARNETT - I'm making that point because we've been left to carry the baby, as it were, and some people might see it as cost shifting to the state, but we are doing everything within our power to support those people in need. I have spoken to and written to the new Federal Housing Minister, Julie Collins, for which I'm very grateful for that opportunity.

CHAIR - She's a Tasmanian Minister.

Mr BARNETT - She is a Tasmanian. She's also the Federal Member for Franklin where Redwood Village is. And I specifically - because I'd heard about that and the concerns, I went down Monday night when I was here in Hobart to meet with them directly. I met with them in Jean's home - I won't go into the details - and I met with many of the residents there and I said we will do everything we can to support you and assist you.

Thanks to the work of Peter and the department, they were able to go through the details to ensure that the Private Rental Incentive scheme was available for those residents, and the answer is it is and they are eligible for that. Secondly, it's up to the landlord as well, because that's - we don't control the landlord. It's up to the landlord to respond to that support.

CHAIR - Come on board, if you like.

Mr BARNETT - To come on board, if you like, and I'm pleased to advise that that has occurred. But Peter can provide a bit more of an update there. This then has to be dealt with on an individual case-by-case basis with respect to Redwood Village, with respect to NRAS.

CHAIR - To the Perth units.

Mr BARNETT - The Perth units at Perth; correct, and other areas. The background, just to be very clear, 422 properties exited the NRAS scheme in Tasmania and already with 1085 to come. However, of 1085, there are 966 units that will be available long-term as they are either owned by UTAS, 770, or long-term units owned by community housing providers, 196. And that's with agreements with us for up to - for 30 years from construction. So that leaves 89 privately owned units that will exit the scheme over the next four years with a further 30 units to 2029.

So every Tasmanian deserves a roof over our head, and I've made that very clear. So I just want to say thank you to the department for working so hard to progress that. I'll ask Peter to respond any further to that. It is not appropriate for the Federal government simply to wash

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its hands of this scheme and say it's not our problem anymore. It is a responsibility of the Federal government. It is their scheme. We will do everything we can as a state government, and we are and we will continue to do so to support Tasmanians in need.

But just a reminder that it is a federal government scheme, and I've made that very clear to minister Collins both individually on the phone and in writing, and I'll pass now to Peter to answer the second part of that question.

Mr WHITE – Which was in relation to the housing register?

Mr BARNETT – Yes.

Mr WHITE – Yes. In terms of the housing register, I can't give you the specific answer you're after, but I'll give you the data I've got and you can let us know whether that satisfies.

Mr VALENTINE – I just want to get a handle on what it's likely to be.

Mr WHITE – So this is our data as at 31 March. In terms of our applicants on the housing register of say 55 and above – can we take that as a reasonable age group?

Mr VALENTINE – Yes, if you've got that cohort, that's fine.

Mr WHITE – That's right. We have approximately 836. I'll say 836 applicants are 55 and above on our register. Now, I don't have that broken into male and female, but what I can tell you overall is that females make up about 59.2 per cent of our overall register in terms of as a principal applicant.

Mr VALENTINE – That gives me an idea.

Mr WHITE – If you extrapolate those two numbers, you would get approximately 500 females over 55 on the housing register.

Mr VALENTINE – It's a significant number of people, isn't it, that could find themselves in dire straits if their supports fail. So I guess, Minister, is that something that you will keep a watching brief on and keep your eyes out for women that are in that particular circumstance who are less likely to be able to support themselves?

Mr BARNETT – It's particularly important, and it crosses portfolio with the Minister for Family Violence, Jacque Petrusma, and the Minister for Women, Jo Palmer. So there is a crossover there, and I appreciate the question and where it's coming from because one of the first things I did as Minister for Housing, I had the privilege of providing funding support at Magnolia House, which is the women's shelter in Launceston. An extra 15 units on top of the 15 they already have. Now, you might say that's only a little bit. Well, look, every little bit helps. Every little bit helps, and of course there's facilities in the south and the north-west as well.

And the point I made earlier, at the end of March 2022, 9.7 per cent of applicants were without – this is on the housing register, which is to your point – 9.7 per cent of the applicants were without conventional accommodation, such as sleeping rough, and the remaining 90 per

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cent of these applicants were in secure or temporary accommodation. So I think I'm just trying to break down that register so you have a bit of an understanding of the balance.

Mr VALENTINE – Yes, I appreciate that.

Mr BARNETT – I'm just giving you the heads up there. But it is important. I've been to the Safe Spaces in terms of emergency accommodation in Hobart and Launceston and I look forward to getting up to Burnie soon, and they do a fantastic job. We've been able to, thanks to the Department responding to my request, provide an extra 22 spaces, Safe Spaces, around Tasmania. So Burnie, Launceston, and Hobart, and that will again provide support for those in need in an emergency situation.

Mr VALENTINE – I think that's good for an emergency situation. I guess what I'm pointing out is not the short-term like women's shelters might provide, but that longer term thing.

Mr BARNETT – Right.

Mr VALENTINE – I have a couple of questions on the \$1.5 billion. It's welcomed by the sector, if I can put it that way.

Mr BARNETT – Yes.

Mr VALENTINE – To build and acquire 10 000 homes by 2032. What proportion of that particular money will be spent on social rental homes for Tasmanians most in need? Affordable rental homes for Tasmanians on low and moderate income, and on other housing programs. Can you give us a breakdown on what your aiming at there for those 10 000 homes by 2032?

Mr BARNETT – Thanks very much for that. I think it's a good question as to where you're coming from. It's a very big and ambitious plan. It's an unprecedented investment by our government in housing and homelessness. Of course, that's all on top of the \$36 million we spend per year on homelessness services, the wraparound services. But in terms of the funding, \$1.5 billion through to 2032 to provide 10 000 homes; firstly to say, we're on track through to get that 1 500 by 2023, July next year. But Peter, I'm sure as Assistant Secretary, Deputy Secretary, can add to that answer.

Mr WHITE – Thanks, minister. Certainly, as the minister alluded to, we're in the process of completing those 1 500 homes by June of next year. We are also working on the plans around 2 000 further social housing dwellings that were part of last year's election commitment with additional funding which comes into that. So that program was from 2023 to 2027. In terms of the balance of 6 500, I did mention earlier the housing strategy that's under development.

Mr VALENTINE – Yes.

Mr WHITE – So what we're doing at the moment is obviously working on that strategy and working with a range of stakeholders and doing a fair bit of consultation, and fairly soon we'll be putting out further discussion papers for more feedback. We're aiming to have that strategy completed in early 2023, around March or thereabouts of next year. And as part of

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that to then support that strategy with an action plan which will inform where those – effectively that 10 000 will be built.

CHAIR – Isn't it pretty clear that we already know that it's right across the state? What do we need another survey and an action plan for, minister? We know.

Mr BARNETT – It's not quite that simple, to be clear. I mean, the question was about social and affordable housing.

Mr VALENTINE – Well, they're split; social and then affordable. So not both.

Mr BARNETT – That's right, but there's more of a split than that. You're talking about women. You're talking about older women, you're talking about younger women, you're talking about men, you're talking about youth to independence ages 16 to 24. Where I was at the weekend at Thyne House in Launceston providing funding support of just short of \$9 million for that. So this is really important that we get it right. It's no good just willy-nilly going out and splashing the funds.

That's why I've established a reference group. That's why the Premier and I are meeting with the reference group on 11 July with more than a dozen key stakeholders in the building construction industry, for community service providers, those that got their hands dirty looking after the homeless and the vulnerable. They are out there every day doing what needs to be done. So we have to get that advice, get that feedback.

CHAIR – But I acknowledge that, but we've -

Mr BARNETT – So by March next year we should be in a position to know – be more thorough in our rollout of the campaign.

CHAIR – I mean, how many roundtables are we going to have to keep discussing this?

Mr BARNETT – As many as needed. But through you, Chair, I'm a new minister and I had a roundtable within weeks in Launceston, and then we'll be doing another one in Hobart. I'm learning and listening and getting feedback, and it's very valuable, and I thank those that are providing that feedback. And guess what, they want to provide the feedback, they are keen, and they provide it to the department, they provide it to me, so we don't want to be in some ivory tower. We want to know exactly what's going on on the ground so that we can meet the needs of Tasmanians.

CHAIR - Well, I wasn't suggesting anyone be in an ivory tower, minister.

Mr BARNETT - Thank you.

Mr VALENTINE - Just with respect to those houses, 1500 by next year. And well, I don't know when next year, but -

CHAIR - June.

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Mr VALENTINE - June. But have you factored in the issue of materials, being able to get the material to build those houses? How have you worked to sort of ensure that you can actually deliver on the ground with that?

Mr BARNETT - I think the point that Peter made earlier, the 1169 as of March, just a month or ago, that we'll be building by 30 June next year. That's based on advice, feedback, the capital investment director behind us, Ricard, for which I'm very grateful for his advice and input and it's based on feedback from the building and construction industry. They are on the reference group, that's the sort of information they will be providing to the government. We now have an MOU with the building and construction sector to collaborate to deal with the supply chain challenges, and there are challenges.

Mr VALENTINE - There are going to be some challenges, I can tell you that.

Mr BARNETT - There are challenges, and that's an ambitious plan, but I make no apology for having an ambitious plan to meet the needs of Tasmanians. But in conclusion we are working right here, right now, to get the job done. It's not just some far-flung objective. We're out there getting the job done and building those homes that need to be built.

CHAIR - Thank you. Ms Howlett?

Ms HOWLETT - Minister, could you please update the committee on the youth housing initiatives allocated under this budget?

Mr BARNETT - Yes I can, and as I said it was a great pleasure and honour to be at Thyne House on the weekend. In fact it was named after the Thyne family of which I'm a descendant. My grandfather was Sinclair Thyne, mayor of Launceston. He and his brother managed Thyne Bros. Knitting Mills. So I'm putting that on the record. My grandmother taught me to knit for which I am very grateful I can still knit.

CHAIR - Knitting background, farming background, politician, covers the gamut, Minister.

Mr BARNETT - I'm happy to grab a couple of needles and do what needs to be done.

Ms HOWLETT - And they were very good jumpers.

Mr BARNETT - They were good jumpers, Thyne Bros jumpers.

Ms HOWLETT - And they lasted.

Mr BARNETT - Jumpers, blankets, socks, and so on.

Ms HOWLETT - Absolutely.

Mr BARNETT - Anyway, the property at Thyne House has now been redeveloped, so it has 30 units there for youth to independence, so young Tasmanians, and we're going to add another 20. So it's a multimillion dollar incentive, some \$8.9 million expansion which was announced on the weekend. There's some good work going on from Vos Construction for which we're very grateful, and the feedback from Anglicare, which operates the facility, is very

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positive. They are delighted with the progress, and the feedback, they say, from the young people is also appreciated.

Because that's not just about a home. It's providing about education and training and skills development to help them move into independence. So ages 16 through to 24, and yes. So that's not just happening in Launceston, so we've got Evelyn House in Devonport, and Trinity Hill in Hobart, 46 units. So there's more work that's being done. I thank the Honourable Member for her question, and I likewise thank the various community service providers for being at the coalface, providing the services every day to help build that independence so that they can then go off into the world, and to help reach their potential to be the best that they can be as young Tasmanians.

Ms HOWLETT - So important.

CHAIR - Time frame around those three projects.

Mr BARNETT - Well by the end of this year for Thyne House, by December this year, and I understand that by next year - that mid next year or late next year - for the other two projects in Hobart and Burnie.

CHAIR - Okay, thank you.

Ms ARMITAGE - Just a follow-up, a supplementary on youth housing. So, I noticed in the budget papers, p37, the initiative on the 20 modular youth homes -

Mr BARNETT - On page? What's that?

Ms ARMITAGE - Sorry, it's page 37.

CHAIR - Page 37, Budget Paper No. 2.

Ms ARMITAGE - In the youth housing initiatives, and the modular youth housing dispersed youth foyer. I'm just wondering - the youth coaches. So what sort of qualifications? Obviously there'd be one coach at least per house I would assume. So would they be living in - what would the situation be with youth coaches?

Mr BARNETT - Yes, thanks very much to the member for the question in terms of youth coaches, and that was really my point. They grow and help to achieve their potential through training, skills development. But in terms of the youth coaches, I understand it's the 24/7, but I'll pass to the deputy director.

Ms ARMITAGE - Thank you. In the answer you could also let me know how many people per home. So we've got 20 homes and we'll have one obviously youth. I'm just wondering how many people are actually at those homes.

Mr WHITE - So the program we have there is 20 units, which is actually on four sites. So there's 20 clients being housed.

Ms ARMITAGE - It's one per unit? Right.

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Mr WHITE - Well there's five units on each site.

Ms ARMITAGE - Yes.

Mr WHITE - So you'll have one worker, if you like, between five clients. So they provide a 24/7 support service. But they'd be someone qualified in social services, so they can provide that sort of holistic support for the clients and they'd put them through - often they might use a mechanism called 'outcome star', which looks at the domains that people have that they want to achieve in, whether that be their own education development, their other life skills, other abilities they'd have in order to become independent and, you know, to grow if you like.

So they work on programs similar to that, and the idea is over that period of time - it might be one or two years - they'll develop those young people and then hopefully they can move into independence and they've got something behind them when they do that.

Ms ARMITAGE - How long can they stay there? Is there a set time that they can actually - two years?

Mr WHITE - Up to two years.

Ms ARMITAGE - Up to two years. So you've got five units. Where does the youth coach stay? Are there six units?

Mr WHITE - There's six. So there's one for the coach, yeah.

Ms ARMITAGE - So there's six, right. And you have a mix of male and female.

Mr WHITE - Yes, it would be, yeah.

Ms ARMITAGE - Just one more question if I could, Chair, just on the dispersed youth foyer initiative. So, 10 Housing Tasmania properties suitable for -

Mr WHITE - Is that on page 37?

Ms ARMITAGE - Same page, yes. Still on the same area. So that's with regard to three to four bedroom share housing properties for young people. So would there be someone there with them as well, because you can imagine they may not all get on together sharing a house.

Mr WHITE - Yes. They have an in-reach service, as it's called, so it's a similar program. But in that case, they don't have someone on site, because if it's a three-bedroom home, for example, what we have there is three young people share the tenancy, and that -

Ms ARMITAGE - So how do you identify who will share and who will get on together? Now I've got four sons and they certainly didn't get on together all the time, and it was good to have a mother or father there for disputes. I'm just wondering if you've got three people from perhaps difficult circumstances all together how do you manage that, and how do you determine who's going to be there and is someone going to check from time to time?

Mr WHITE - So basically what happens there is that - so it's not a forced marriage, if you like. So what'll happen is a number of young people who would be eligible, they'll be

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working with those young people. As can often happen that some of them will get on well and have similar interests. So it's really going to be a process up front for people to maybe self-select to some degree, but also just to work with those other support staff, and they'll probably identify which groupings they may be able to do this from.

So this program isn't going to be for everyone. It involves in those cases, you're talking about shared tenancies, you know, living together and all those things. Certainly they'll be supported through that, but we'll be looking to have people living together that are compatible. You know, it's the first, trial if you like, of this.

Ms ARMITAGE - It's hard to work out who's going to be compatible, isn't it, when some people leave a kitchen dirty, some don't, some are unhappy. I'm just thinking if there's not a youth worker. So a youth worker will come in once a day, once a week?

Mr WHITE - Well they would be in quite regularly and certainly it could be daily, to be honest. And those sort of issues, they would work through with the tenants to address those sort of things. It happens in my household, so it happens in all households.

Ms ARMITAGE - It does, but you're there.

Mr WHITE - Yeah, but they don't listen to me. But it happens in a number of households, and that's the idea of having the support there available. So that if there are issues, you know, about splitting up the power bill or just getting on with cleanliness and other things, the support's there to work those things through. So this isn't just sort of, you know, throwing a hand grenade in the room and walking away. It's actually saying 'let's get these people together, let's select them in the first instance so they're relatively compatible. Let's put the support around them to achieve these goals and to reach independence,' and that's what the program's about.

Ms ARMITAGE - I'm just wondering how you work out who's going to get on together. Are these people already working with youth workers? Will it be a mix of genders? Will there be male and female in the same house, or male or female? I mean obviously it's been determined it's going to happen, so you must know what's going to happen. I just think it would be interesting to know.

Mr WHITE - Yes. Well certainly that's what the workers will be doing. They'll have greater expertise than mine at that. But the answer would be yes, there's potentially mixed gender in these situations.

Ms ARMITAGE - Married or single? Because up to 24, they could be.

Mr WHITE - I suppose in theory they could be married, I guess. I don't think - we're not excluding that.

Ms ARMITAGE - So couples?

Mr WHITE - I guess. I don't expect there to be couples, but that could well be the case. It's all going to come down to what's going to work within this. We know this program just isn't going to fit anyone. It's a very small program; you're talking about 10 properties.

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Ms ARMITAGE - Still 10 houses that could go to a family, I guess, and the family could have - well you could have a husband and a wife, they might have four children, there could be six people that could go into a three-bedroom house if you've got two children sharing a room plus a couple. I'm just wondering that's 10 family homes in a way as opposed to having maybe three people in it.

Minister, I have had concern raised with me that this sounds great to have young people in there, but then you also have families on the waiting list for a long time, that that could be, as I say, six in the family - there could be four children and two adults that could actually take those houses. Sorry, it's just so that I can answer my constituents that have raised these issues with me.

Mr BARNETT - I think it's fair to say - and the deputy secretary can respond - but, you know, we've got to be agile. We've got to ensure that the homes that are built are fully utilised. We're talking about getting bang for buck. We're talking about getting good results. Now the department has to work this through as part of the strategy on a regular basis, a consistent basis, and of course there need to be homes for families to your point, and I totally agree.

But we also have to look at the resources that we have available. If some of these younger people have to live together and work to live together with support of support people, well that's a way we've got to do it. We've got to be versatile, we've got to be agile. It's based on advice and expert feedback which the department obtains, so I think it's all about getting a good return on those funds invested for the Tasmanian public, and getting a good outcome for those vulnerable Tasmanians.

Ms ARMITAGE - That's where I thought the 20 modular youth homes were great because you do have a youth coach there as well. I was just questioning the fact, as you say, getting bang for buck, three people in a house as opposed to maybe six.

Mr BARNETT - Well we've got to be versatile, have lots of different options available for the different needs, and to your point earlier about the member for Hobart we've got to be able to respond to the needs that we have. That's why we're developing this strategy with a bit more detail in and around it.

Ms ARMITAGE - So these young people are on the waiting list obviously? The young people that are -

Mr BARNETT - Well there'll be quite a few on the register, the housing register from age, you know, young people right through -

Ms ARMITAGE - So they're not young people that are living at home that simply don't want to be at home? It's just often a question too.

Mr WHITE - The program would be targeted at 16 to 24-year-olds which is what the target group is.

Ms ARMITAGE - I was just wondering whether they're homeless now, or whether they're simply living at home and really don't like being at home. Because you hate to think of someone living in a car with a few children and don't get a house.

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Mr WHITE - Obviously I can't answer that.

Ms ARMITAGE - Well, you obviously know where they're coming from, though, whether they're already homeless or whether they're not.

Mr WHITE - Well, certainly we'll know once the clients - we don't have all the clients identified for the program as yet, et cetera.

Ms ARMITAGE - No, no, no, I appreciate that, but surely you would know the type of clients, whether they're going to come off your homeless waiting list, or whether it's going to be identified through some other way, that perhaps they don't want to be where they are now. Which happens.

Mr WHITE - Yes. Whether they're homeless or not at this point in time - I mean, what we'd say is a number of these clients would be at risk of homelessness if they don't get the support around them. It might be that they're staying with friends. It could be they're in families. I mean, not every family relation -

Ms ARMITAGE - Because all our children want to leave our houses at some stage. No one likes their parents forever.

Mr VALENTINE - Is this by the Elizabeth College? One's opposite Elizabeth College isn't it?

Ms ARMITAGE - No, these are houses, Rob, I'm talking about. Three and four bedroom houses that they are changing -

Mr VALENTINE - Yes, well. I thought it was the same.

Ms ARMITAGE - Sorry, honourable Member.

Mr WHITE - Sorry, it is a similar cohort, to answer that question.

Mr VALENTINE - Yeah.

Mr WHITE - Young people who basically need support and assistance.

Mr VALENTINE - That's it.

Mr WHITE - In order to get engaged with education, training, learning or even just employment. What the dispersed model offers, if you like, is for some clients who probably - if you take Trinity Hill, opposite Elizabeth College.

Mr VALENTINE - Yes, that's the one I was thinking of.

Mr WHITE - You know, you've got 46 units on site. Again, that's not for everyone. Some people don't like to have that sort of feeling of having, you know, 45 other flatmates, if you like. There's the dispersed model, whether it be the five bedroom units on a site, is obviously a lower number of units and offers that more one-on-one relationship.

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Ms ARMITAGE - I don't have an issue with those, I'm just questioning the house being cut up.

Mr WHITE - It's similar to the house. I mean, the support will be there in the same way but -

Ms ARMITAGE - But not 24/7?

Mr WHITE - Not 24/7. But certainly, very much on a daily basis.

Ms ARMITAGE - Thank you.

Mr WILLIE - Thank you, Chair. I'm interested in the statutory authority that's being proposed by the government. There's no funding in the budget. So, minister, will it just be a case of housing services, the line item there, and the funding allocated to it being transferred into that statutory authority, and what will the costs be to run that statutory authority? There's not any detail in the budget.

Mr BARNETT - Well first of all, it highlights the importance of housing and homelessness, the fact that we are establishing a statutory authority announced by the former premier. It will be charged with delivering the new homes and more affordable homes and units, and certainly we're not going to leave any stone unturned to ensure that we obtain delivery of the stock of houses as set out in our vision. The legislation to set up the authority will be brought before both houses of parliament, because we want the authority set up by 1 October this year.

In terms of the funding in the budget I'm happy to pass to the deputy secretary, but in short, the authority will obviously take over much of the responsibilities which were with Department of Communities Tasmania for housing services and housing capital investment. So that funding there is in the budget, that was there for Communities Tas will go over to the housing authority. There is funding there, in fact there's some - in terms of the budget - some \$650 million over the forward estimates for housing services to do the wrap-around services and operational services, which is a huge amount of funding but an important amount. That's on top of the \$538 million for capital investment in the budget over the next four years.

The budget allocates combined funding of more than \$1.1 billion over the forward estimates allocated to the housing authority that it will be responsible for. It's a huge task and challenge for the government and the authority. I'm very excited about it, but there's a lot of work that's going on behind the scenes, and I'll just check if the secretary would like to add to that answer, because I know the secretary has been very involved in this matter and has done a great amount of work to support the government's vision with others across government.

Mr PERVAN - Thank you, minister. In addition to the funding that's allocated specifically for housing services under the budget there's been a very complex and detailed process around all the corporate services and corporate supports that the Department of Communities currently has and it's being apportioned to the receiving agencies including the new housing authority, to enable them to kick off with their own finance, HR, and other functions.

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A lot of the corporate support we currently get around processing of accounts and payroll and things we purchase from the Department of Health and we're currently in discussions with a couple of agencies as to who would like to take that on and be the service provider for those transactional services in corporate for the new housing authority. But as to the executive coordination, things like RTI, finance, HR and so on are a proportion of those services that currently DCT is funded to provide, will move to the housing authority when it is established.

Mr WILLIE - Minister, we heard the former premier talking about the statutory authority leveraging its balance sheet. Does that mean leveraging against the housing stock? What does that actually mean in practice? We just had, a couple of years ago, a historical debt waiver. I guess the concern here might be that we'll end up back where we were.

Mr BARNETT - On the last point of your question, that debt was to the Commonwealth, and with the waiving of that debt has delivered an extra \$50 million a year, or \$58 million over the forward Estimates, in terms of extra funding going into housing and housing services, which is to be appreciated, so I just make that point.

In terms of the governance and wise decision-making around leveraging the housing authority and the assets that are owned by the housing authority, yes it will have the ability to borrow and spend to deliver on the housing objectives of our Government to get to the 10 000 homes by 2032. The minister will set out ministerial expectations for the housing authority, and just a heads up, that will give them direction as to where the Government wants them to go. It will be a skills-based board. They will need to make wise decisions based on the objectives and the vision of the Government. Yes, it will leverage the assets of the authority to benefit Tasmanians who are vulnerable, who perhaps need those services, whether it be housing or homelessness services. I'll just pause and see if the secretary would like to add to the role of the authority.

Mr PERVAN - Thank you, minister. As well as the authority having a skills-based board to guide it in the implementation of the housing strategy, the authority itself will still be required to comply with Treasury's instructions. So, there will be those safety measures around its borrowing in case it wants to do something colourful and creative that might expose the state to risk.

So, there'll still be those checks and balances to make sure what we do is sustainable and in the interests of delivering on its functions. And it will have to relate back to the minister's statement of expectation and functions that will be set out in the legislation, so it can't act independently or get too creative, as I said.

Mr WILLIE - Minister, is it your expectation it will act more commercially? It will still be governed by the Homes Act, so all of the money will have to go back into affordable housing?

Mr BARNETT - I think the first point to say is that legislation will be brought into the parliament in the not-too-distant future. Of course, I'm very keen to get feedback from the community and key stakeholders on that legislation, so that won't be too far away.

The Government's arrangements are very important. The skills-based board needs to operate in an efficient and frugal manner, but also with the objective of meeting the Government's policy of getting the homes out the door, delivered and built, and then of course

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dealing with caring for homeless Tasmanians with the \$36 million - which is record funding support for vulnerable and homeless Tasmanians.

But look, there's a lot more to do. We'll get further feedback on the plans and then introduce that, to have it stood up by 30 September this year. That's the plan. It's an ambitious plan, but it's one we're not ashamed of. We stand behind it, and I'm very keen to lead the charge with the Premier and others to ensure we set up this authority and get the job done so that we can care for vulnerable Tasmanians.

Mr WILLIE - Was this a decision of the former premier, or was it a decision of Cabinet?

Mr BARNETT - It's a decision of the Government. It's a decision of the former cabinet and the current Cabinet. We are totally at one on this. This is totally rock-solid support by our Government for the establishment of a housing authority to get the job done. This is really important.

We are committed to this process and we want feedback from the key stakeholders - the building construction sector, from the community services sector. As I say, it's a skills-based board, but in terms of the reference group and getting feedback to government, I really appreciate the feedback I've already had, and look forward to ongoing feedback. The authority will be required to get the job done for and on behalf of the Tasmanians, particularly vulnerable Tasmanians.

CHAIR - Minister, a significant number of questions have been provided to the committee, and we're not going to have time to ask them all. Would you be happy if we put them in writing to you, or would you like us to ask them all now?

Mr BARNETT - Let's see if we can get them all done and dusted in an efficient way, because that's the normal process wherever possible.

CHAIR - That's fine, we'll stay until we finish. What is the Budget allocation for 2022-23 and ongoing to implement the recommendations from the Under 16 Homelessness report, including capital, recurrent and staff costs? First question, and then I'll spread them around the members.

Mr BARNETT - That's the Children's portfolio?

CHAIR - Children's portfolio? Okay.

Mr WILLIE - We'll ask that on Thursday.

CHAIR - All right. Next question. How much was spent on the pods at the Hobart Womens Shelter and Bethlehem House to install these accommodation units, and what are the annual maintenance and hiring costs of the pods?

Mr BARNETT - Thank you. The deputy secretary.

Mr WHITE - Thank you, minister. Total costs for the installation and hire of the accommodation units were as follows: \$2.6 million for the pods at the Hobart Womens Shelter and \$2.1 million for the pods at the Bethlehem House site. A further \$331 000 was spent on

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professional fees across both projects. The maintenance costs are actually the responsibility of the lessor of the pods.

Mr VALENTINE - Minister, can you advise the number of homes that have been sold through programs such as HomeShare and Streets Ahead in the financial years 2020-21, basically all the way back to 2018-19? An indicative number to date will do for this year.

Mr BARNETT - Thank you very much for the question. Of course, that's a more recent policy initiative, but let's see if the deputy secretary can assist.

Mr WHITE - Could I just clarify, you said 'number of homes', so I assume that's the number of Director of Housing-owned homes?

Mr VALENTINE - The numbers that you are able to report on is, I suppose, the real question. And it's 2018-19, 2019-20, 2020-21, and to date for this year, that have been sold through the HomeShare and Streets Ahead programs.

Mr WHITE - I can provide that.

For 2018-19, a total of 27 were sold; that included six under HomeShare, and 21 under Streets Ahead.

In 2019-20 we had a total of 19 sold; that included five under HomeShare and 14 under Streets Ahead.

In 2020-21 we had a total of 29; that included three under HomeShare and 26 under Streets Ahead.

And the financial year to date - which would be as at 31 March - we've had a total of nine sales, which includes six under Streets Ahead and three under HomeShare.

Mr VALENTINE - Thank you, very good. What is the net gain or loss of public and community housing properties - social housing stock - between 2016 and 2022? That includes the number of properties built, less the number sold and otherwise lost from the social housing supply. Up to 31 March 2022, if you have it.

Mr BARNETT - Again I'll pass to the deputy secretary, but introduce the answer by saying we're the only state in Australia to increase our social housing stock to keep pace with population growth.

Mr WHITE - Thank you, minister. According to the RoGS data, the total we had as at June 2016 was 13 621 properties. As at June 2021, we had 14 056. So, we've had a net increase of 435 dwellings. I'd just put an asterisk there that some of that is under-reported, as I indicated when I was answering a question previously.

Mr VALENTINE - And how many new ones this year so far? To 31 March, probably.

Mr WHITE - In this financial year we've had 33 new under the regional supply, a further 10 under Youth to Independence - so there's 43. Another 125 under the community housing grants program, 106 delivered under the Hobart City Deal, 12 have been completed

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under the debt waiver agreement - so, I gave those total numbers before, this is just this financial year to date - and 51 under the Community Housing Growth Program.

You want me to add those up now, don't you?

Mr VALENTINE - It doesn't matter. It's on the record, that'll do. We can do the sums. Thank you, Mr White.

Mr WHITE - I think it's 337, off the top of my head.

Ms ARMITAGE - Minister, how many energy-efficient heaters such as heat pumps have been installed in public housing properties over the last financial year, and at what cost, please?

Mr BARNETT - Thank you very much for the question. I'll pass to the deputy secretary.

Mr WHITE - Thank you, minister. In 2021 we invested \$2 548 708 on heat pump replacements and installations in 630 properties. Overall, just under 5500 of our properties now have heat pumps in them. Since July 2014 to 31 March 2022, we've invested in excess of \$3.6 million, or an average of \$4.5 million per annum, on energy efficiency. As a result of those efforts, the percentage of properties owned by the Director with heat pumps in them has increased from 16.7 per cent to 85 per cent under the current arrangements.

Ms ARMITAGE - Thank you.

Mr WHITE - Sorry, I'll just make one correction there if I could. I might have said \$3.6 million, but over the period from July 2014 to March 2022, we've actually spent in excess of \$36 million on energy efficiency upgrades, including heating, which is an average of \$4.5 million per annum.

Ms ARMITAGE - Do you still have houses with wood fires, or not? I think some were replaced, weren't they, but they were replaced with other wood fires.

CHAIR - Particularly people who live in more rural and remote areas.

Mr WHITE - With the properties that we own and are managed by Housing Tasmania, there are still - as at 31 March - 132 with wood heaters. That's reduced from 683 back in July 2014. That represents just over 2 per cent of our portfolio of units or homes have wood heaters as their primary heating source.

Ms ARMITAGE - Is that because they've requested to have a wood heater? Do they have the option of a heat pump, as they're getting old and being replaced? How does that work? You were saying they've gone down from 600, so are these people who actually like the wood heating and have access to wood?

Mr WHITE - Under our home heating policy, our approach is that we do install heat pumps as our preferred source of heating. We have had some, under some exception, where we may retain a wood heater.

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Ms ARMITAGE - It is nice, isn't it, to have a fire?

Mr WHITE - As you're aware, there are obviously some parts of the state where wood heaters are not really allowed. Launceston is one example.

Ms ARMITAGE - With the inversion layer and the smoke particulates.

Mr WHITE - Correct. Basically, the benefit of heat pumps is environmental air quality and health. They tend to probably have a longer life and less maintenance, and obviously they're very efficient. They provide up to three times the energy efficiency with the heat pump operation versus standard direct electric heating. Obviously, there are some tenants who -

Ms ARMITAGE - Cost might be an issue for some people who have access to wood.

Mr WHITE - It certainly can be, and we have some applied some discretion. But as you can see from those numbers, we don't have many now who have wood heaters.

Ms ARMITAGE - Okay. My last question on this: what is the ongoing commitment to energy efficient programs such as heat pumps and solar panels in social and public housing? You've mentioned the heat pumps, I'm just wondering along the lines of the solar panels too. Is that something that happens?

Mr BARNETT - Yes. If I can jump in and then pass back to you. In the 2021-22 year, \$6 million is specifically allocated to energy efficiency initiatives, and that will contribute to the further rollout of reverse-cycle heating and hot water cylinders. Are you happy with that?

Mr WHITE - Yes, minister. We do have an ongoing program within our maintenance as well to replace wood heaters and essentially provide for some of that energy efficiency. In 2022-23, for example, we do have \$9 million allocated for energy efficiency programs as well. That will include heat pumps, sometimes insulation - improving insulation and topping up insulation. In some cases, heat pump hot water systems, which are much more efficient than standard electric heating. Those are very effective measures to reduce -

Ms ARMITAGE - Do you have natural gas in any of the housing? It used to be cheap.

Mr WHITE - Yes, we do have natural gas in some of our homes. For example, we still have 436 homes with natural gas as space heating. We would have a higher number there that would be also using gas hot water - so certainly there are some homes with that as well.

Ms ARMITAGE - And would they all be insulated - at least in the ceiling cavity? You were talking about insulation. Would there be some without?

Mr WHITE - To the best of my knowledge, we would have insulation in all of our properties. We have been through a number of programs over the years.

Ms ARMITAGE - And checked?

Mr WHITE - What we find is over time - as everywhere - the effectiveness of the insulation can deteriorate over time. That's why we'll often go through and put additional bats or whatever in the roofs, particularly when we do vacate maintenance. We have a sort of

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ongoing program to top up insulation, but certainly as far as I understand all of our homes do have insulation.

Ms ARMITAGE - All right, thank you.

CHAIR - I'm mindful that we need to take a comfort stop. I'll suspend the broadcast for 10 minutes and we shall recommence this area - at your request, minister, you asked for the questions - at 3.50 p.m. Thank you.

The committee suspended from 3.38 pm. to 3.46 p.m.

CHAIR - I'm interested in the quantum of the projected maintenance program. We have always received that quantum in the past, so minister?

Mr BARNETT - Thanks, Chair. We'll see if we can assist you through the deputy secretary.

Mr WHITE - In terms of the following financial year figures?

CHAIR - Yes, thank you.

Mr WHITE - Yes. For 2022-23, in our maintenance budget we have a total of \$28.017 million. That includes \$19.017 million for maintenance and a further \$9 million for energy efficiency, which I touched on earlier.

CHAIR - Okay. Can you tell me what was spent in the last financial year?

Mr WHITE - The one we're in or the previous one, sorry?

CHAIR - The one we're in will be fine.

Mr WHITE - Okay. In the 2021-22 budget we had a total of \$28.5 million. That included \$3.9 million as part of the public building maintenance funding. That funding was also made up of \$6 million for energy efficiency and \$18.553 million for maintenance services.

CHAIR - Yes, thank you. Any other questions, members?

Mr VALENTINE - Yes.

CHAIR - In regard to -

Mr WILLIE - Yes, I'll ask this last one.

Mr VALENTINE - I've one.

CHAIR - I've got one from Mr Willie and then one from Mr Valentine. Then we'll move to 90.1, private rental incentive schemes. Thank you, Mr Willie.

Mr WILLIE - What is the investment and program for de-carbonisation in the maintenance and construction of community and public housing in 2023-24. In the forward

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Estimates you've obviously talked about energy efficiencies, but is there a specific policy to address climate change and de-carbonisation in the maintenance program?

Mr WHITE - We don't have a specific budget allocation around de-carbonisation of construction and maintenance. The social housing constructions we have in Tasmania generally have lower embodied carbon than other states because of the materials made locally and rely on timber. We understand that reducing embodied carbon from the construction sector will be an important step in reducing our overall carbon emissions. We will be working alongside the minister to reduce embodied carbon from the building construction industries as we go forward.

CHAIR - Thank you. Mr Valentine, last question.

Mr VALENTINE - Did you give us the HomeShare numbers?

Mr WHITE - The numbers I gave before were purely the homes run by the director that were sold to people under the HomeShare scheme. So it's not all HomeShare.

Mr VALENTINE - Do you have the full total?

Mr WHITE - I can provide that. For the current financial year 24 people have purchased a home under HomeShare. That includes, as I said earlier, three that were purchased from the Director of Housing, and the others were either new homes or house and land packages. So there were 21 new homes and house and land packages as part of that number.

The previous year there were 50 properties under HomeShare in 2021. That included three owned by the director and 47 were house and land packages or new dwellings.

Mr VALENTINE - Okay, thank you for that.

90.1 Private Rental Incentive Scheme -

CHAIR - I will invite Ms Armitage to ask the initial questions.

Ms ARMITAGE - Thank you, Chair. Minister, what is the total cost, including advertising, of the Private Rental Incentive Scheme since the commencement of the program in 2018? What is the number of households assisted to June 2022, or the nearest available date that you have?

Mr BARNETT - Thanks very much for that. Under our plans for Private Rental Incentive Scheme, extra funding support, an additional 200 homes would be delivered under the program. Since the release of the Affordable Housing Strategy in 2015 up to 31 March 2022 we've helped 403 households into affordable private rentals under the program. To 30 June 2023, 635 households are expected to be assisted by the Private Rental Incentive Scheme.

Ms ARMITAGE - Thank you. So what incentives are to be offered for private rental to be organised in the private and public sector? So how do you encourage that?

Mr BARNETT - Well there's a formula and a criteria, terms and conditions that apply for applicants. I'll pass to the deputy secretary.

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Mr WHITE - With the Private Rental Incentive Scheme, we make two payments. We make a payment to the landlord, which is a payment over two years. That was previously \$9990 in the south. The payment is different in each region. Our payments are also different for the number of bedrooms.

The tenants pay an affordable rent to the landlord for a property. That's set at a rate below the median for those regions. To give you a couple of examples, I don't have the details in front of me, but in the south, for example, the tenants might pay for a one-bedroom property under that scheme \$203 a week. For a two-bedroom, say, \$273 per week.

We also make a payment to Centacare Evolve Housing, who are the manager of those properties for the landlord and take responsibility for maintenance issues and other things. So under the scheme we make incentive payments to landlords to encourage them to put the properties into the scheme. That subsidises them for the difference between the rent the tenants actually pay and what would be the market rent.

The other benefit they get is two years of relatively risk-free investment, because our manager is looking after the property for them and dealing with other issues, damage and things like that, if that was to occur.

Ms ARMITAGE - So how do you guarantee the rental payments? I know all elected members come across this when you're out in the streets, and you go to put something in the mailbox and they say, 'Don't bother. We had a rental there and they've done a runner and they haven't paid their rent for three months'. So how do you guarantee the rental payments? If they're not, obviously these people get evicted, I'm assuming? How long before they are?

Mr WHITE - Centacare Evolve is the organisation that takes that risk on. We fund them to take that risk. The private landlord doesn't miss out if the tenant doesn't pay the rent. Centacare Evolve would work with that. You need to understand that our arrears overall in social housing is very low. Our loss in Housing Tasmania tends to be always under about 0.2 per cent of collectibles.

Ms ARMITAGE - And if the house is damaged?

Mr WHITE - Again, that's why Centacare Evolve takes responsibility.

Ms ARMITAGE - So they will still bring it back to the state that it was when it was rented?

Mr WHITE - Normal fair wear and tear provisions would apply. So, yes, that is correct.

Ms ARMITAGE - Thank you. I'm happy to allow other questions. I can come back.

CHAIR - Any other questions around the private rental scheme? No? Mr Valentine?

Mr VALENTINE - On private rental?

CHAIR - Yes.

Mr VALENTINE - No.

PUBLIC

CHAIR - No? Seeing as we still have the same people at the table, the member for Hobart has a question that was overlooked. I'll be lenient because it's day one, I may not be on day four.

Mr VALENTINE - What is the total number of new social housing rental properties in both public and community housing that you, minister, expect to be delivered in financial years 2022-23, 2023-24, and 2024-25?

Mr BARNETT - Thank you for the question. I pass to the deputy secretary.

Mr WHITE - As we heard before we're on track to complete the overall supply target that we had of 1500 new homes by June 23, with the overall numbers rising to 10 000 by 2032. The dashboard that we release every month, on 30 April showed that we've delivered 2111 additional new homes, lots of land and new places in supported accommodation for homelessness services.

Mr VALENTINE - This includes community housing?

Mr WHITE - Yes, it does.

Mr VALENTINE - The other organisations that are doing it?

Mr WHITE - It does include that. As at 30 April we had an additional 1438 - this is a slightly different number, because this data has just been released - of long-term homes and units for homeless accommodation in the pipeline. They're projects that are underway or the land has been sourced, et cetera.

If you're looking at the breakdown around the dashboard, we've completed 1358 social housing dwellings since 2015, of which 334 have been completed over the past 12 month period, which is May 2021 to April 2022, with that pipeline of over 1300 social housing dwellings expected to be completed by the end of the next financial year, through to June 2023.

Regarding program and works beyond that, we are developing the housing strategy. Those figures will be firmed as we do the strategy and the action plans.

Ms ARMITAGE - What are the criteria for tenants to qualify for the Private Rental Incentive program, minister?

Mr BARNETT - I'll pass to the deputy secretary to fill you in. We have changed the arrangements to allow for NRAS tenants to apply to see if they can meet the criteria under the scheme.

Mr WHITE - The eligibility is that they must be low-income houses. People with low or no support needs. So it is a private rental incentive program intended to support those people to remain in private rental.

Ms ARMITAGE - So Centacare people, something like that?

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Mr WHITE - People who are on Centrelink payments would be qualified. People who can afford the private rental property at the maximum capped rent. So I've mentioned before how, for example, a two bedroom unit in Hobart - - -

Ms ARMITAGE - Yes, \$270 a week.

Mr WHITE - Yes, \$273 a week. It is less in other regions, but they have to be able to afford that as a household. We look at that in the context of no more than 30 per cent of their income plus the Commonwealth rent assistance payment they're entitled to. But they also must be 18 years or older and eligible to apply for the Commonwealth rent assistance. That can provide up to about \$70 per week of assistance.

Ms ARMITAGE - So how long can they stay there? Is this ongoing? So it's still only the two year period?

Mr BARNETT - Correct. Is that what you said?

Mr WHITE - It is up to two years, but some owners have been willing to extend the program for another two years. But it is our intention it's for two years. In some cases the aim is those households could potentially afford something in the private market. Certainly, it gives them that opportunity, because they've had that two years' experience in the private rental market with references and other things, to perhaps have more of an opportunity of accessing the private rental market than they would have before they came into the PRI program.

Ms ARMITAGE - Just looking at the national scheme and obviously the media reports we saw of people that could have afforded the increased rent but they were evicted. If, for example, these houses, the owners or the landlords decided they didn't want to participate any longer in your scheme, we saw an opportunity for these people to then negotiate directly with the landlord as opposed to the national scheme from where they were evicted. I mean, one gentleman, I'm sure we saw it and I think it was in *The Examiner*, might have been the *Mercury* as well, that he said he could have afforded the increased rent. He was evicted and then weeks later saw that very same unit advertised for a rent he could afford.

I'm just wondering, when their two years is up, if that landlord decides, 'I don't want to be part of this anymore, I want to go into the private rental market, I don't want to do the public market', is there an opportunity for this person, rather than being evicted, rather than the state saying, 'Okay, you have to get out and we give you an empty unit', for them to negotiate with the landlord as opposed to what happened with the national scheme and so many people were evicted and could have stayed there? Which must be a terrible situation. And then trying to find something again when he could have afforded what he already had.

Mr WHITE - Certainly there is that opportunity. I mean, obviously, again, this comes down to -

Ms ARMITAGE - How does it work?

Mr WHITE - Essentially, it's up to those two parties, whether it's the tenant and the landlord themselves. I mean, if the landlord's willing -

Ms ARMITAGE - So they can and you're not going to evict them at the end of that.

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Mr WHITE - No, we don't stop them, no. No, certainly not. I mean we would encourage that to be honest. It would be a great outcome really if that same tenant can just rent directly from the landlord. Under the program, their rent would obviously be higher than it would be at the moment, under our subsidy.

Ms ARMITAGE - But some could afford that if they've moved on and they've got a better job.

Mr WHITE - Indeed. Yes. I'm not sure if some have done that.

CHAIR - I don't know the numbers but they certainly can negotiate.

Mr WHITE - They can negotiate and it sounds like -

Ms ARMITAGE - So they won't be evicted.

Mr WHITE - No.

Ms ARMITAGE - I think that was the main thing under the national scheme where people were saying they were evicted was a shocking thing.

Mr WHITE - No, obviously, you know, the landlords own the property and when a lease expires then the landlords have their own rights of what they want to do. But if the landlord wanted to lease it to the tenant and they can negotiate, if you like, a fair rent then that's certainly okay.

Ms ARMITAGE - No, that's fine. My main question was that, as a state, you didn't say, okay, evict and then give you it back. It was a very strange situation, the national scheme. Thank you.

CHAIR - Thank you. There're no forward estimates here for this and obviously it's under the COVID-19 response and recovery. Will that be considered by government as we make our way through this COVID world which we live in?

Mr BARNETT - Yes.

90.10 Statewide safe spaces -

CHAIR - Is that the response? Fine. Thank you. The next area is 90.10 which is Statewide safe spaces. Thank you, Mr Willie.

Mr WILLIE - Thank you, Chair. It's a great program but isn't it a shame that we have to offer these services because of homelessness in Tasmania. My question, minister, is, how many people are turned away from safe spaces each night?

Mr BARNETT - Well first of all, yes, it is a great service and we have funded this again in this budget because it is a great service. In fact, \$6.85 million to roll that over. Obviously, those needs go up and down depending on the circumstances of the people, the area and the time of year. For example, right now, in wintertime, it's particularly demanding and I again pay tribute to those who provide those services, those safe space services. Hobart City Mission

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in Hobart, City Mission in Launceston and then on the northwest coast well. Excellent. That funding has been provided. A further funding of an extra 22 safe spaces has just been funded, just announced a week or so ago. And again, very grateful to those community service providers.

I haven't asked them specifically, those community services providers, but I do know that there is very, very strong demand particularly during winter. Exactly how strong that demand is. I don't know exactly but I am always keen to get that feedback and become more aware. I'll see if the Deputy Secretary has anything further to add.

Mr WHITE - Thanks, minister. I don't have specific data in terms of how many people have been turned away from safe spaces. We haven't been recording that information to the best of my knowledge.

Mr WILLIE - Is there a reason why? Through the minister.

Mr BARNETT - Yes, it's very hard to know exactly because the word, for example, might get out that, you know, they're full up tonight, because it's responding on a daily basis. They have to apply within a certain timeframe to be able to access the safe space at nighttime and then, likewise, during the day, they can basically enjoy the facilities which are available. Like here in Hobart or Launceston, or elsewhere. The nighttime safe space I think is probably what you're referring to and it would be hard to know exactly and even if we did ask them, they'd say, 'Look, you know, it's demand, it's at full capacity and, yes, from time to time we turn some people away'. But we're always interested to learn more and that'd be a question we'd have to ask the community service providers.

Mr WILLIE - So it wouldn't be about the word getting out that they're full, Minister, it'd be about the department collecting data on the demand. It doesn't have to be shared with anybody apart from the department and probably yourself, but I would have thought that would be important information to collect.

Mr BARNETT - When I was there last week at Hobart City Mission, there is strong demand but there's the odd day where they don't meet their full capacity. Most of the time they do. That's why we're provided more, because they had a roundtable in Launceston, and the feedback I got was that they need more, and we've got 11 new places up there starting just now for the winter. That's as a result of the feedback I got and responded, and thanks to the department, we were able to meet the need. But I'm sure that demand is there and the need remains.

Mr WILLIE - Just on the 22 beds which you announced a couple of weeks ago. Is that just funded for winter and that's it or will it continue?

Mr BARNETT - No, it's funded for the winter period to meet that particular demand.

Mr WILLIE - Okay. And there's no further funding past, I think, this budgeted year.

Mr BARNETT - Correct.

Mr WILLIE - Is it the government's intention to continue this service?

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Mr BARNETT - That's a very good question and I've been asked that question before. It's an annual funding last year and then this year, we've obviously funded it to the extent of 6.85 million. It certainly will be positively considered in the context of future budgets and based on feedback because it depends on the demand that goes up and down, and depends how the circumstances are, you know, in three months, six months, 12 months' time. We'll be getting that feedback from the community service providers and the community, and, of course, take advice from the department. No doubt the housing authority. We'll be making further decisions in due course on that one.

Mr WILLIE - Doesn't it make it difficult, minister, for the housing providers to not have any certainty past one year when they're trying to provide such a critical service to very vulnerable people?

Mr BARNETT - They were already providing emergency services and supported accommodation, and more long-term accommodation, and doing a terrific job for which I'm very grateful, I know, on behalf of the government and all of us around this table. It's a new scheme - newish scheme, safe spaces, and as I say, annual. I'm pleased that it's been funded in this budget and we'll be looking at it in future budgets for sure.

Ms HOWLETT - Thank you, Chair. Minister, can you update the committee on funding for safe spaces and what these provide for our community?

Mr BARNETT - Yes, I can and we've touched on it already. But certainly, in part, it's \$36 million per year for wraparound services. There're some 17 existing specialist homelessness services including the Housing Connect Front Door and support services. As I've said, there's \$6.85 million. Over three million for Hobart, \$1.9 million for Launceston and the same for Burnie. A total investment so far of \$23.7 million to extend our three safe space services and outreach. A terrific result.

Last week I was able to announce an extra 22 spaces. We've got the new and expanded youth shelters and foyers in Hobart, Launceston and Burnie; a new Devonport men's shelter as well; a new Bethlehem House in Hobart and I announced the funding for \$20 million for 50 units and 50 apartments there at the Bethlehem House in North Hobart; nearly doubling the capacity of the Launceston Women's Shelter, Magnolia House where I was some weeks ago; and expanding McCombe House for women and children. The longer-term solution to homelessness is to increase the supply of affordable and social housing for all Tasmanians. We're doing that. I absolutely accept there's a lot more to do and I'm looking forward to putting the shoulder to the wheel to do that extra work.

Mr VALENTINE - Yes, I'm just interested in the cohorts that are actually accessing safe spaces. Can you give us an idea as to how old the younger members might be and the age range? Have you got the cohort information on that?

Mr BARNETT - Yes. Well, I can assist broadly to members, and then I'll pass to the Deputy Secretary. Certainly, we're talking about drug and alcohol-affected individuals, vulnerable Tasmanians. There's mental health illness, there's family breakdown, the impact of all of that, and the age goes from young to old to very old. It's men and women.

So I volunteered for more than 10 years in Launceston once a month in a safe space providing services to the homeless and vulnerable Tasmanians. It was a great privilege and an

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honour, and I say there but for the grace of God go I. It's about caring for our neighbour, looking after each other, and supporting one another. It's not just a problem for the government, it's a problem for our whole community.

Mr VALENTINE - It is.

Mr BARNETT - I'd say it's a challenge. I know the honourable member would agree with me on that one. In terms of the breakdown, in terms of that cohort, I'll see if the Deputy Secretary has more to say.

Mr WHITE - Thanks, minister. I don't have any specific breakdown. I mean, with the safe spaces, essentially it's a service for 16-year-olds and above.

Mr VALENTINE - Okay.

Mr WHITE - You'd certainly expect most of the clients there would be 40 and above in the main. At times, there have been children with adults staying there as well; that happens on occasions. But certainly not under 16 by themselves. I don't have the data in front of me to answer your question if you want the breakdown of different cohorts.

Mr VALENTINE - I know when I was Lord Mayor we had kids as young as six on the street - it's hard to understand - without an adult but with older siblings. What sort of services are there in these safe spaces that are going to point those sorts of individuals to the right service which they need is the question, because it does happen.

Mr BARNETT - It does happen. I've been in that situation, you know, in past years as a volunteer supporting the service. In that situation, it is very, very troubling, and of course, we need those wraparound services for young Tasmanians. As I've mentioned, the Youth2Independence services which we offer and provide support for. Just a really good example was last week I met with Tracey, I had a tour with Harvey, Hannah, and Ewan up at Hobart City Mission.

Mr VALENTINE - City Mission, yes.

Mr BARNETT - Probably you would know them.

Mr VALENTINE - Yes.

Mr BARNETT - They just provide a fantastic service. And Tracey, who I met, she'd been out and about, vulnerable, on-and-off homeless for, you know, up to six years. She was so excited, so pleased, and thankful for the services that she received at Hobart City Mission and that safe space, and the wraparound services, that feedback she'd had. She was able to apply for and received positive agreement to getting access to her own home with her partner.

She was so pleased and so excited and it's really lifted her spirit, helping her achieve her full potential. It was a great honour to meet Tracey and learn more of her situation and the services which are offered there. It's terrific.

Mr VALENTINE - Thank you.

Capital Investment Program

CHAIR - Thank you. We now move to Capital Investment Program, which is on page 36 of our budget papers. So the member for Prosser.

Ms HOWLETT - Thank you, Chair. Minister, could you please update the committee on how the record investment of 548 million will deliver housing stock for Tasmanians?

Mr BARNETT - Yes, I can. We've touched on it earlier but it's very good news in terms of being an unprecedented and ambitious agenda with record funding in this budget, 204 million in this financial year starting 1 July this year, 538 million in capital investment over the next four years. That's a big lick of money.

Ms HOWLETT - It is.

Mr BARNETT - It's a good investment because it's all about delivering more social and affordable homes. It's going to help us with our, firstly, 1500 new homes by 30 June next year, and then 10 000 homes by 2032. So we're on track for that.

It is an unprecedented level of investment. It's broken up, for example, over the next financial year into community housing growth programs, \$65.4 million; extended social housing build, \$90.6 million; housing new projects, \$19.7 million; Affordable Housing Action Plan, \$25.6 million; and youth housing initiatives, \$3 million. So those key projects are to be funded through this commitment in 2022-23, and there's a host of them, and I could go through - many of them are mentioned in the Budget papers, so I won't delay the committee today.

The capital investment is huge, and on top of that I just recall in addition to that is the operational expenses of some \$650 million over the forward estimates over the next four years to support our homeless and vulnerable Tasmanians as well.

Ms ARMITAGE - Oh, thank you, Chair. Just a question with regard to the northern suburbs' multi-sports facility that I noticed had come back across from Communities Tas. I see in the estimated cost 2022-23, \$33 500 000 listed under the Minister for State Development, Construction, and Housing, exactly where we are, minister.

Mr BARNETT - Thank you.

CHAIR - On page 288 of budget paper 2.

Ms ARMITAGE - Do you consider that there will need to be any extra money in the forward estimates or will it be completed? Obviously there's - yes, I'm looking for 2023-24. Yes, we've got 2023. Well, I'm assuming that maybe that's already been spent.

Mr BARNETT - Kim Evans is the relevant secretary, and if we did a switch, we could try to answer that question.

CHAIR - Okay. We'll finish here first, then, and we'll pause on that one.

Ms ARMITAGE - We'll come back.

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Mr BARNETT - Yes.

CHAIR - Thank you.

Mr VALENTINE - We talked about the number of houses which are going to be built and all of those sorts of things. Quite clearly, there is an issue with construction workforce as well. I know that there are some measures being put in place to try and improve that and getting people into the workforce. Could you just outline what conversations you've had to make sure that that ends up being a reality, rather than a wish, in terms of making sure that the workforce is there to deliver on your homes, but not only on your homes? There's a commercial sector out there, and indeed the private sector, as well as the individuals wanting to build homes.

Mr BARNETT - Yes. There's a bit of a crossover there. Very appropriate with Kim Evans. I can respond to say that we've just signed a memorandum of understanding with the building and construction sector, and that's focusing on the supply chain, cutting the red tape, streamlining the process, providing more efficient ways to build and more effective and faster ways to build.

Mr VALENTINE - That's the material side?

Mr BARNETT - That's right.

Mr VALENTINE - In terms of the actual feet on the ground to make this huge build happen.

Mr BARNETT - Yes. And Kim Evans, who's the secretary outside this room, could assist in that regard in terms of skills development, and training.

Mr VALENTINE - Okay. We'll ask him that.

There was just one other aspect. Before of embarking on such a huge undertaking - and it is big - did you take any advice as to how it might actually impact on the commercial housing market in terms of the values of houses, people wanting to, you know, sell their houses? Obviously if there's a huge supply of housing, it might significantly dent that. Have you had discussions in regard to that? I'm not saying it's a bad thing. I'm just saying have you explored that territory?

Mr BARNETT - Obviously, this is a priority of the Government, and the Government thought that more needed to be done. It is an ambitious program, and of course this is based on feedback from the community in terms of housing and homelessness. That was announced by the former Premier, and as minister I'm absolutely determined to implement that policy and objective and it has my full support. I've only been in the role a number of weeks, and I'm looking forward to implementing that visionary policy to make a difference. I can't add to that any more at the moment.

Mr VALENTINE - Because obviously if house prices fall because of the plethora of houses available on the market, there's capacity for people that already own homes to go into negative equity.

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Mr BARNETT - Well, I think one of the things to draw you back to - as I say, it was the former Premier - was the PESRAC report. The PESRAC report talked about getting results and outputs. In fact, the housing discussion in and around the merit of the housing authority at least in part came out of that.

There are decisions and advice which came out of the Treasury, and the former premier is also the former treasurer. So, he would have made that based on all those reasons, but I appreciate where you're coming from, and at the moment I can't give you much more in terms of an answer.

Ms ARMITAGE - I mean it could, you know -

CHAIR - Quick question?

Ms ARMITAGE - That's okay. It's an observation more than anything, so I won't -

CHAIR - Thank you. In light of that we shall now, minister, move to your area of development construction and housing. We look at the Coordinator General Industry and Business Development, Business Support Loan Scheme and capital investment before we head the home straight to veteran's affairs.

Mr BARNETT - Thank you very much.

CHAIR - Thank you.

Mr BARNETT - Perhaps we could kick off with OCG and the secretary of my department, State Growth, Kim Evans? If we get those both at the table, that would be terrific.

CHAIR - Thank you very much. Suspend the broadcast, Lynne, while we get people to the table.

The Committee suspended from 4.21 p.m. to 4.25 p.m.

Coordinator General Industry and Business Development, Business Support Loan Scheme

CHAIR - Minister, we welcome you back and we appreciate that you've just tabled a question on notice from a previous question earlier today in your capacity as the Minister for Resources, thank you.

Mr BARNETT - Thank you very much, Chair. Can I introduce -

CHAIR - Now you have a new team at the table.

Mr BARNETT - Yes, a new team. Thank you very much, to Kim Evans, secretary of the Department of State Growth, also John Perry our Coordinator General, and also Mark Bowles, who's deputy secretary, Business and Jobs. Thank you, Chair.

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CHAIR - Thank you. Before we head into the Office of the Coordinator General, you indicated, prior to the break, that you would get your secretary to answer the question in regard to the Northern Suburbs Multi-Supports Facility?

Mr BARNETT - Thank you very much.

Ms ARMITAGE - I note that the Northern Suburbs Multi-Supports Facility has moved across from Communities Tas, obviously it's being wound down into your portfolio, minister. The estimated total costs, \$34.7 million, and then budget \$33.5 million. I'm assuming that \$1.2 million has already been spent?

Mr BARNETT - Yes.

Ms ARMITAGE - Can you advise what it was spent on, planning, whatever it might be? Then whether you consider that the \$33.5 million will be sufficient to actually complete the work?

Mr BARNETT - Thank you for the question. I'll pass to the secretary, Kim Evans.

Mr EVANS - There are a couple of parts to that question. So originally -

Mr BARNETT - Chair, are we allowed to take the masks off?

CHAIR - Yes. It's just difficult to understand clearly, thank you.

Mr BARNETT - So the Chair would like to take the masks off?

CHAIR - Unless you prefer wearing it while you sit.

Mr EVANS - Originally this project was being taken forward by Communities Tasmania.

Ms ARMITAGE - Yes. I realise that, yes.

Mr EVANS - Then with the work that was done around the redevelopment of the Derwent Entertainment Centre, now the MyState Bank Arena, it made more sense for the team which were working on the planning of that to continue to work on the multi-court facility. So, responsibility was transferred to my agency.

The original budget estimates were not sufficient and we had tickets from preliminary quotes, and the government augmented those funds, so there's \$34.7 million allocated to the development of that facility. Subsequent to that the premier considered whether or not to include training facilities for the Tasmania JackJumpers as part of that, and a decision was taken to add those facilities in. We're just working through the detail of that with our project team to properly scope out the additional part. In terms of the community-based facilities the budget is adequate.

Ms ARMITAGE - In terms of the \$1.2 million, could you tell me where that went, please?

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Mr EVANS - There were a range of consultancies and early planning work which was done. Possibly by communities themselves, but I know certainly by ourselves in terms of work that we've needed to do. For example we've got a consultant onboard, Waypoint, a guy called Chris Dare who is excellent and has a national record of having done similar sorts of developments right around the country. So we've got him on board as a consultant to us and the other costs associated with similar planning work.

Ms ARMITAGE - As it is \$1.2 million of public money, could I please just have -

CHAIR - Some detail.

Ms ARMITAGE - I'm happy to put it on notice so that I could actually get a breakdown of where that money has gone, because obviously consultancies are a considerable amount, but it's nice to see actually where it goes since it's such a large amount of money.

Mr BARNETT - Yes, I'm happy to take it on notice.

Ms ARMITAGE - Yes, if you can take it on notice.

Mr EVANS - I've given you an example of where I think the money has gone to, but we could give you a more detailed breakdown.

Ms ARMITAGE - No, I'd rather know where it has - no that's fine, thank you.

Mr BARNETT - We'll respond, no problem.

Ms ARMITAGE - Thank you, minister.

CHAIR - Do you have that question under control? Ms Howlett?

Ms HOWLETT - I thank you, Chair. Minister, could you please update the committee on how the Office of the Coordinator General is working to attract and facilitate strong levels of investment to Tasmania.

Mr BARNETT - Thanks very much. The Office of the Coordinator General is very busy driving much more investment into our community and our economy. It's certainly part of our agenda as part of a majority Liberal government, promoting and developing Tasmania's attractiveness for investment, pitching for and securing investment projects and creating jobs.

The office undertakes a wide range of activities to deliver on its investment attraction mission, including identifying, supporting and engaging with investors, working directly with investors to provide a tailored professional case management service, assisting with the development and promotion of investment ready opportunities and sights, and organising, promoting and participating in investment missions and coordinating and supporting inward delegations.

So last financial year the office facilitated more than \$382 million of investment over the state, exceeding the target of \$300 million. So this brings the total investment facilitated since 2015-16 to over \$2.5 billion. The OCG is working to progress a pipeline of approximately \$5 billion of potential investment projects across sectors including mining and mineral

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processing, agribusiness, food production and processing, manufacturing in industrial areas, digital economy, forestry and more.

So fully realised, these projects could create over 3000 full-time equivalent jobs. They're working closely with the Department of State Growth of course, but also the Tasmanian Development and Resources Board for those projects and I thank the board members for their support and advice to government. The TDR Board provide very important advice. An example of this is the facilitation of the \$10 million commercial loan, the \$2 million grant through the board to support the restarting of the King Island tungsten mine. I touched on it earlier with my Resources hat on. We're very grateful.

The \$82 million project is underway and created an estimated 90 full-time equivalent jobs during construction, and around 60 ongoing. Support for the King Island community - I know how pleased they are with that progress. Despite the challenges of COVID-19, the Government supportive investment policy is seeing business confidence in Tasmania consistently above the national average, and developers continuing to look to Tasmania to develop major projects.

In conclusion, I want to say we have the CommSec report. You've heard the Premier refer to it, the Treasurer. There is a lot of confidence in Tasmania in the business community and more generally. The last nine consecutive quarters of having the leading the economy and growth opportunities in the nation is definitely a benefit. We have near record jobs now; 260 000 Tasmanians employed, with full-time employment at a high of 171 000 jobs.

So that's a whole lot more than when we came to Government; 26 000 jobs have been created. Our unemployment rate is at an historic 3.8 per cent, which is just slightly lower than the national average.

CHAIR - Minister, we appreciate the overview. Thank you. Mr Willie?

Mr WILLIE - Minister, you just provided a pretty high-level summary of work. I'm interested in whether you'd be able - and I'm happy for you to take it on notice - to provide a more detailed summary of work for the past financial year in the four interconnected areas: investment, attraction and promotion, major project facilitation in Northern Cities, and red tape reduction.

Mr BARNETT - Thank you very much for the question. I know those on my left and right could probably assist. You're right, there's been a lot of progress with milestones reached and exceeded in the last 12 months. Providing more detail, it may be better for the Office of Coordinator-General, the Coordinator-General himself, to respond to your question. I'll pass to John Perry now to assist the committee.

Mr PERRY - Thank you, minister. The office has worked across a range of different areas. In relation to red tape, there's been significant steps forward covering a number of reforms. There were approximately 20 new reforms taken on in the last year. A number were completed. In relation to the Northern Cities initiative, there has been significant progress on the three projects. The Burnie University relocation has been completed. There's been a lot of work in relation to the extension of the Launceston City Deal. It's now approximately doubled the amount of money that was allocated to the Launceston City Deal originally. Quite a lot of work has been undertaken in that area.

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There has been significant achievement of milestones in relation to the major project in Launceston, and further growth and adoption of new programs in that capacity. As the minister said before, there has been a lot of work in relation to investment attraction activities. We measure projects according to a range of different milestones. As the minister said, for the previous year we exceeded the target that we had been set. This year is not quite complete, but we are on target to meet or exceed the targets that we have for this year as well.

As the minister said in his outline, quite a few projects have been announced and completed. One of the big focus areas in the last year has been the building and construction loan scheme [Building Construction Support Loan Program??], which was in partnership with the Tasmanian Development Board, and that was a program of loans with up to \$52 million of loans in the fund. When fully realised, the investments that the loan scheme has achieved is about \$174 million.

CHAIR - Is the list available?

Mr PERRY - It's not yet, but it will be.

Mr WILLIE - As a follow up, are the 20 reform projects for red tape reduction available publicly somewhere?

Mr PERRY - Yes.

Mr WILLIE - And the three projects, there is a lot of stuff in the public domain about those. Do you have a summary of all of the investment attraction activities, or are you able to provide that to the committee?

Mr PERRY - A whole range of activity has been undertaken. We can take you through the areas of projects, if you like, to identify where we've been focusing on to attract new investment.

Mr WILLIE - But you can't name specific projects?

Mr PERRY - I think -

Mr BARNETT - Can I assist the members of the committee? The OCG annual report is tabled as part of the State Growth annual report each year in October.

Mr WILLIE - Yes.

Mr BARNETT - Just to clarify for the record so you know there is an annual report as part of the State Growth annual report.

CHAIR - Thank you. It looks like we're waiting for the annual report to get any further detail.

Mr WILLIE - Yes. I can always follow up in the House, Chair.

CHAIR - I'll invite the member to continue.

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Mr WILLIE - My last question, minister. In the 2019-20 year there was \$673 million attributed to the Coordinator-General as investment in the state. How is that determined? How do you know the investment wouldn't have happened anyway?

Mr BARNETT - Thanks for the question. I will pass to the Coordinator-General.

Mr PERRY - In terms of measuring that particular KPI, we only measure projects where we've had a significant role with the project. We only capture it when it hits a certain milestone. Typically if there is financial assistance or a loan or something that's been provided by the Government, then that's recorded when the agreement is signed. If it's working with companies, which we do a lot, then it's when they get their development application achieved.

If it's working with another funding organisation, such as federal government funding, then it's when that federal government funding is secured. They're the milestones that we capture according to those projects. It's a range of different projects that make up that amount of money.

Mr WILLIE - Hypothetically, a developer of a project could contact your office, seek some advice, you could point them in the direction of a federal loan scheme or whatever, and at the point of the loan then you would count that in that figure?

Mr PERRY - Yes. If we've had a role to play. If it's simply answering a phone call, then we wouldn't be capturing that. It's when we've worked with the company.

Mr WILLIE - What's the threshold for that work?

Mr PERRY - If we've assisted them in a federal government program, typically we'll have provided them with some advice, so we would capture that. When we've done something that the company hasn't done themselves.

Mr WILLIE - Okay.

CHAIR - Thank you. Ms Armitage, and then I'm going to Ms Howlett.

Ms ARMITAGE - Thank you. You mentioned the Launceston City Deal. That went from 2017 to 2020. I'm looking at the progress report. Could you give me advice or an update? At the time of writing this report when it was 2017 to 2020, it said, 'Work is underway on major projects, including relocating the university, and improvements to the health of the Tamar estuary'. Can you give me an update on the health of the Tamar estuary? It was established under the City Deal.

'The first step is to be investing \$85 million to upgrade the combined system and to provide \$10 million to landowners to fence waterways to prevent stock and nutrients entering the waterway.' So can you give me an update on what's happened there? Has it been successful? How much has been implemented? You're going to tell me it's not under you? It was just that John mentioned the Launceston City Deal, so the honourable member for Launceston jumped in.

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Mr BARNETT - I can understand where you're coming from. The City Deal is a 10-year partnership between the Australian and Tasmanian governments and the city of Launceston, as you know. It's all about making Launceston the best and most liveable regional city.

Ms ARMITAGE - I know the Tamar River really hasn't improved much. We have a boat sitting in the mud as we speak.

Mr BARNETT - Yes, thank you for the feedback. The Launceston City Deal was of course through the Office of the Coordinator-General. But that's a matter for minister Ferguson, and I'm not sure if more can be assisted with there.

Ms ARMITAGE - Through the progression of the Office of the Coordinator-General perhaps I could find out whether the progress has been made on improving the situation to do with the Tamar River, for a start?

Mr BARNETT - A lot of work's been done to improve the health of the Tamar River. I think we can give you a heads up on the very significant \$129.2 million investment in the Launceston stormwater and sewerage upgrade. That's a key plank of the River Health Action Plan. Those upgrades are a series of major projects on a very old, complex system that runs through the city of Launceston and commenced all the way back in 2020, but major works have been tendered and expected to commence later this year, 2022. TasWater is delivering on those projects as owners of that infrastructure.

Ms ARMITAGE - Can we get a guarantee that it will start? I can recall in the past that it was going to start probably two/three years ago, and then it's put forward. Obviously COVID came and delayed things.

Mr BARNETT - The advice I have is that it'll lead to a massive 36 per cent reduction in bacterial pathogens, drastically improving the health of the river. Now, the state Budget doesn't include contributions from the Australian Government, or the Launceston City Council, or TasWater, so I understand approximately \$6.5 million has been spent to date to progress the stormwater and sewerage upgrades, with major works to commence later in 2023.

There's work across the catchment as well in terms of fencing to stop cattle using the waterways. With my previous hat on, I'm well aware of much of that, 337 kilometres of waterway, has been fenced to exclude stock from that waterway. They are also regenerating nearly 1500 hectares of riparian areas, and improving effluent management across 1300 hectares of dairy farms - and those actions, of course, all reduce effluent entering the waterways.

So, there's a lot of work that's been done, and of course more to be done.

Ms ARMITAGE - Thank you. It is difficult to drill down when it's not your portfolio, so I appreciate the answer that you've given me.

Mr BARNETT - Yes. It is my portfolio, but a lot of work is happening in other portfolios and I'm happy to assist further in terms of the sediment and the Australian Government commitment and the taskforce vision. You can throw some more questions, through you Madam Chair, and we'll see what we can do to assist.

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CHAIR - Thank you, minister. You're enthusiastic on day one.

Mr BARNETT - I think the secretary wanted to add to that.

Mr EVANS - Our best-laid plan was to have the chairman of the Tamar Estuary Working Group here with us today. Unfortunately, he is not here because he tested positive for COVID this morning, but one of his officers is here if we get into detailed questions.

CHAIR - Thank you, appreciate that.

Ms ARMITAGE - Thank you. It was simply that the combined system and the money that's to be spent there tended to keep getting delayed, and I wondered when it was actually going to start. And hopefully with the dates that have been given, it actually will start.

Ms HOWLETT - Minister, could you please update the committee on how the Government has continued to cut more red tape to boost economic recovery?

Mr BARNETT - Yes, thank you. That's very important, cutting red tape, streamlining the process. The Coordinator-General spoke to that in the opening remarks, as did I earlier in the day.

The Red Tape Reduction Coordinator and small business advocate has been working assiduously, and since the last report another 37 red tape issues were identified, with 16 now rectified, and the remaining items making strong progress to resolution. Overwhelmingly, we hear from businesses that one of the biggest challenges facing them is unnecessary and drawn-out processes just to get the permits and approvals they need, and certainly as a person with a small business background yourself, member for Prosser, and others around the table, you know how important that is.

A good example in the red tape audit report is the introduction of statutory service standards and deadlines for the connection of power to homes and businesses - meaning homeowners, businesses and large-scale investors can now factor solid time frames into their developments and avoid long waiting periods.

For example, a new home will now have to be connected to power within 45 business days. A small engineering company requiring up to 1 megawatt of power will now have the assessment, design and connection completed within 60 business days. And a large industrial operation such as a manufacturing plant requiring more than 1 megawatt and provision of high-voltage infrastructure will now have the assessment, design and connection within 160 business days. Previously, there were no statutory time frames that delineated between small, medium and large-scale connections. So there's a few examples.

The development of the online portal for the heavy haulage sector, the first of its kind in Australia, which identifies root options and whether a permit is needed for any sections of travel - that's very handy for the transport industry, that's for sure.

Commencement of a review of the regulation governing the establishment and operation of agritourism businesses, including farm stays, wineries and paddock-to-plate experiences, to identify opportunities to reduce compliance cost, time frames and other barriers to entry.

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And the commencement of the distillery regulatory review. That's whisky and spirits.

CHAIR - Yes. That'll take a while to get around. Popping up everywhere now.

Mr BARNETT - I know we're all interested in that, in terms of the rules covering the production of whisky, gin and other distilled products. We've got growth in that space across Tasmania now - some 80-plus distilleries around the state, which is very encouraging. We want to focus on that, to make it easier for them to get established and to operate their businesses, so they can employ more people and deliver a very good-quality product. Those reforms will provide a regulatory framework that's tailored to this important and growing industry.

All up, since we commenced our red tape reduction program in 2014, 166 issues have been identified, with 141 fixed. That represents an 85 per cent success rate so far in removing red tape issues from the outstanding matters, being progressed towards a fair, reasonable and workable solution.

I want to make it clear, anyone with any evidence or concerns regarding red tape, please contact the Red Tape Coordinator and/or my office. Very keen to hear back. We want to make a difference. I have a small business background. I've advocated for small business in the past to cut the red tape, streamline the process. It is really important. I know all of us around this table agree with that objective, so we're keen to do more, and we remain committed to cutting the red tape and making it easier for businesses to operate and prosper.

CHAIR - Thank you. Can we have the staffing numbers for the Office of the Coordinator-General? That'll be FTEs, and also do we have some detail around what sort of leave claims are on foot? And is everyone back at the office post-COVID? Thank you.

Mr BARNETT - Yes, I'll pass to the Coordinator-General. There's a few questions in there, and I'll see if we can assist the committee accordingly.

Mr PERRY - Our office has 21 staff. We're recruiting two at the moment, so we have two vacancies. We also share a person with Trade who is not employed by the department, but is an Austrade employee who -

CHAIR - You house them.

Mr PERRY - Well, we don't house them, they house them because they're actually overseas, but they work for Tasmania.

CHAIR - That's 23 FTEs?

Mr PERRY - No. It's about 20 FTEs because not everyone is full-time. As I said, two of those at the moment are vacant positions. Everybody is back at the office. We provide flexibility if needed, but typically people are working four or five days a week from the office, and then we just arrange if there needs to be other plans. What was your other question?

CHAIR - The types of leave.

Mr PERRY - Just annual leave.

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CHAIR - There's nobody on stress leave?

Mr PERRY - No.

CHAIR - Nobody on worker's comp?

Mr PERRY - No.

CHAIR - Gosh, go to the top of the class. Day one. It's good to hear. Any other questions about the Office of the Coordinator-General? No. Thank you very much.

1.2 Industry and business development -

CHAIR - I'd like to invite Ms Howlett.

Ms HOWLETT - Thank you, Chair. Minister, could you please update the committee on the importance of the Antarctic sector to the Tasmanian economy and the future of our state?

MR BARNETT - Yes. Hobart is the internationally recognised gateway to the Antarctic. It's the permanent Antarctic gateway for the Australian and the French national Antarctic programs and other Antarctic programs such as Italy, Japan and the United States. They regularly operate through Hobart. The Tasmanian Antarctic gateway provides a truly competitive advantage and brand for Tasmania and is a major contributor to Australia's national Antarctic capability. The sector is a significant driver of the Tasmanian economy. The Tasmanian Liberal government is excited by the potential that the Tasmanian Antarctic gateway offers in delivering enormous opportunities for research, education and economic growth.

In 2019-20 the sector directly employed around 950 FTEs. Antarctic organisations spent \$158.7 million in Tasmania purchasing goods and services. This contribution of the sector to the economy has been growing significantly over the past two decades. While being impacted by COVID-19 travel restrictions in the second half of 2019-20, Australian and international expeditioners still racked up an estimated 7000 bed nights in Hobart and more than 4100 bed nights were spent in Tasmania by delegates of Antarctic and Southern Ocean conferences. Companies such as William Adams, Elphinstone Engineering, Travtech Polar Services, Penguin Composites and Taylor Bros all provide equipment designed and built or specially modified for the harsh Antarctic conditions.

The Australian Government's massive investment in Antarctic infrastructure over the coming decades, including station modernisation, traverse equipment, operations and sustainment of the new icebreaker, and the proposed year-round runway in the Antarctic will provide huge opportunities for Tasmanian businesses. The development of the Antarctic and science precinct at Macquarie Point will cement Hobart's international reputation for Antarctic and Southern Ocean excellence and is a key focus area of the Hobart City Deal signed in February 2019.

I want to welcome the \$60 million commitment from the federal Government for the upgrade to the Hobart International Airport. That will provide further opportunities for the Antarctic but also elsewhere. The Government released its Antarctic Gateway Strategy in 201. The strategy is currently under review by the Tasmanian Antarctic Gateway advisory committee

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led by Antarctic Tasmania. The new strategy should be ready for release later this year in December. Significant opportunities for Tasmanians were generated by the Australian government's February 2020 announcement for a further \$804 million investment over the next 10 years to strengthen Australia's national interests in the Antarctic through expansion of Australian logistics capacity in Antarctica, increased diplomatic engagement and reinforcement of Hobart's position as the premier gateway to east Antarctica and the international hub. The spending's in addition to the significant investments made in the last decade in Australia's new icebreaker, *RSV Nuyina*, which is based in Hobart and on ice infrastructure equipment.

Tasmania's international gateway reputation was significantly enhanced in 2020-21 and 2021-22 Antarctic seasons by the success of the substantial effort by the Tasmanian Government led by the Antarctic team in the Department of State Growth. I acknowledge that excellent work. That was done to facilitate to transit of expeditioners through harbour while observing all COVID-19 border and quarantine requirements.

I'm very excited about the prospects for the future with my federal counterparts. I will be liaising and communicating with them. I've already drafted a letter to my counterpart in this space and look forward to working collaboratively with the Australian Government to ensure that Hobart remains the gateway to the Antarctic and that we can do even more than what we have already done.

Ms HOWLETT - Thank you.

CHAIR - A supplementary on this. Thank you, Mr Valentine, before I head into an area.

Mr VALENTINE - With respect to the different countries that provision from here. Has there been any growth in that over the last little while that you can tell us?

Mr BARNETT - Yes, thank you very much for that. There's been certainly increased expenditure and involvement.

CHAIR - Is that referred to as stevedoring?

Mr BARNETT - It's a bit more than that, I think. I will pass to the experts at the table if that's okay with the committee and see if we can obtain more information in addition to what the minister alluded to in the answer to the earlier question.

Mr VALENTINE - It's certainly an important area. It's worth about \$190 million a year. Is that right?

Mr BARNETT - It's in that order, I think I mentioned the figure. Let me double check. \$158.7 million. But that was in 2019-20.

CHAIR - Can we have 2020-21?

Mr EVANS - We're about to release our updated figures. I don't have them with me.

CHAIR - Does somebody behind you have them? If you're about to release them.

Mr EVANS - No.

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CHAIR - If not, we can keep a watching brief on that one.

Mr VALENTINE - I'm interested to know what we're doing with other countries. There's the Antarctic Gateway cities of Cape Town, Ushuaia, Punta Arenas and Christchurch. Has the state Government been involved with those gateway cities? I know the city council was but I wasn't sure whether or not -

Mr BARNETT - Two things I'll say. I met with the Hobart mayors again last week. We had a good catch up, a productive and enjoyable meeting. We raised the importance of Hobart as the gateway to the Antarctic. We're on the one page. We're all supportive of doing all we can to progress that. But in terms of the other part of your question, I'll just see if the secretary or the deputy secretary can assist.

Mr EVANS - I might start and Mark might add, if he has anything further to add. It is a really important question that you raise and something that we actively pursue. As the minister's already indicated, we have very strong ongoing relationships with the French, who visit regularly. The Chinese have been regular visitors up until recently; the Japanese; the Italians. It is something that we pursue very vigorously. It's a common feature of all of our trade missions to engage with our Antarctic colleagues with a view to ensuring that we enhance our reputation as the gateway.

As the minister's already said, it's a very significant economic contributor and employer for Hobart. If you think about each visit, it's not only the direct spend by their delegations in the city, it's also the provisioning of supplies and stevedoring support. There are a number of businesses who are very reliant on active and ongoing visitation other than Australian Antarctic expeditioners. We've had recent visits from the US Coast Guard, by way of another example. We've been in fairly regular and certainly recent dialogue with the United States about its use of Hobart as a port.

Mr VALENTINE - That's good to continue to hear. Regarding organisations that are working in that sector, we have CCAMLR in the city. Do we provide any support for those organisations, the ones that are connected with the CSIRO and the like?

Mr BARNETT - CCAMLR is a good example, the Commission for the Conservation of Antarctic Marine Living Resources. I'll pass to either the secretary or the deputy secretary to assist the committee because I'm still learning in this role. Through you, Chair.

Mr VALENTINE - That's all right.

Mr BARNETT - Thank you, Chair, I'm just getting across all this. I am very excited about the potential, and we'll do everything we can to progress, and I acknowledge my former ministers, Ferguson and Lynch, in this space.

Mr EVANS - So, across industry, the science community, and government, including local government, have very strong relationships and we have formed a Tasmanian Antarctic Gateway Strategy which is overseen by the Tasmanian Antarctic group. It has an independent chair, Tony Press, former head of the Australian Antarctic division and a number of key stakeholders, including industries. So, the Tas Polar Network, the chair of that is Richard Fader. Very active in this space.

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Directly, though, we do provide support to a number of organisations which are critical to the gateway. We provide a small grant of \$25 000 to the Tasmanian Polar Network to enable them to coordinate their activities across industry. We provide \$50 000 a year over two years to the integrated marine observing system that operates out of here. \$75 000 per annum for five years for the Southern Ocean Observing System. We have a grant of \$200 000 per annum to CCAMLR, their international secretariat. That's increased by CPI.

Mr VALENTINE - What's that toward? Do you know in detail?

Mr EVANS - I suspect it goes in part towards rent and other purposes, but it supports the establishment of the international secretariat here in Hobart, and that's critical.

Mr VALENTINE - It is, I couldn't agree more.

Mr EVANS - Absolutely critical to the State Gateway.

Mr VALENTINE - Was just interested to know where it was going.

CHAIR - I expect the government will want to know where \$200 000 goes.

Mr EVANS - We also contribute \$25 000 a year to the agreement on the conservation of albatrosses and petrels. The international secretariat which operates out of here. We've also made very significant contributions towards the business case development and the options analysis of the Antarctic and Science Precinct and those contributions are total \$1 million.

Mr VALENTINE - That's on Macquarie Point you're talking about?

Mr EVANS - They have been made via the corporation over 2020 and 2021 and 21-22.

Mr VALENTINE - I think that's - thank you.

CHAIR - Thank you. Minister, I'm finding this output area quite interesting because, obviously, it's got notes 14 and 15 to this and when you read 14 and 15 -

Mr EVANS - What page is that, Chair?

CHAIR - On page 297 of budget paper 2 and at 14 is the increase in industry and business development for 2022-23. Primarily reflects the additional funding for Headworks Holiday, which you've already talked about.

Mr EVANS - Yes.

CHAIR - Dash - doubling residential land rebate, but then on 15, it talks about activities and strategies which are under the responsibility of the Minister for Advanced Manufacturing Defence which we have - this committee has scrutiny of on Wednesday. Also, science and technology, small business, and Minister for Trade. So, where can the committee go in relation to this output group? Is all we can really scrutinise is the Headworks Holiday? Is that it? It's a bit messy.

Mr EVANS - Through you Chair, this output cuts across a range of portfolio ministers.

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CHAIR - I can see that.

Mr EVANS - That's been the case for a number of years now. This budget allocation would include things like science and technology, advanced manufacturing and defence industries.

CHAIR - Hence the note.

Mr EVANS - As well as the old portfolio of state growth. In terms of minister Barnett's responsibilities, we are really looking at the old state growth responsibilities. Predominantly around business and job support through the Tasmanian Development Board.

CHAIR - Can we have some more detail then, and we'll save our other questions in regard to this portfolio area for the minister on Wednesday.

Mr BARNETT - Yes, certainly with the Tasmanian Development Board, I can update the committee. I have met the chair, Mike Wallis, and I'm very pleased with the credentials of the board and the experience and background of Mike Wallis as chair. So, that's quite important and I want to acknowledge that. They do a lot of good work. A lot of it behind the scenes. Most people wouldn't have a clue in terms of the amount of work that's undertaken. I will pass to the Secretary because they also provide support and advice to government on business grants and loans and my secretary is a member of the board, so I think it's best for the Secretary to flesh that out a little bit further for the committee.

CHAIR - If there's something to be tabled, we're happy to have that tabled if there is a list of those grants for business. Thank you.

Mr EVANS - Thank you, minister. So, the TD board offers various loan programs and business support and the Coordinator-General talked about some of the project specific supports that have been provided through the Tasmanian Development Board. John would put submissions directly to the board but in addition to that, we work through our business and jobs group with applicants or proponents who have business propositions, who are seeking support either by way of a grant or a loan. Predominantly using loans rather than grants and we would them put up through the board a bespoke application for a loan.

The majority of our work, though, is done through loan programs and we have a number of loan programs. We have got an AgriGrowth loan scheme, which is a \$70 million scheme open to support and advance government's AgriVision 2050. We've got a Business Growth Loan Scheme, a \$60 million scheme which came about really post-COVID as we started to open up and businesses were recovering, adapting and growing. So, that \$60 million scheme which remains open until, I think, September of this year, is available for businesses to get loan support as they recover from COVID.

CHAIR - To keep the doors open, effectively.

Mr EVANS - Yes, and a particularly heavily impacted sector, the tourism industry, is the focus of our Tourism Development Loan Scheme which is a \$50 million loan scheme. We've provided, as I say, quite bespoke loans. The government made a commitment last year to provide \$100 million loan to INCAT as an example. That was in lieu of the fact that coming out of COVID, they lost their forward orders for a number of big jobs that they had and to

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protect the jobs of some 650 employees at INCAT. We agreed to provide a loan of \$100 million so that they could effectively build a spec boat whilst the marketplace is recovering. Thankfully, in recent discussions with INCAT, it looks like the market is recovering.

CHAIR - And they sold the boat.

Mr EVANS - I couldn't say that but the market in terms of placing orders to build new boats has bounced back very quickly. So, I think it just demonstrates that the importance of that loan to get them through to a point where they could maintain their workforce and be positioned as the construction market starts to open up again. I could go and give you lots of other examples, but I will probably stop there. Needless to say, up until here to date, we've made 36 loans for a total of approximately \$50 million under the provisions of the act.

CHAIR - Therefore loans to be repaid to the state.

Mr EVANS - Absolutely, yes.

CHAIR - Good to hear, thank you. But as you can see, it is a bit of a crossover there when it comes to your responsibility, minister, and the other areas when you read the notes. We're always appreciative of the notes because it gives us some indication of what that output group relates to. If there are no further questions in 1.2, then I'll move to output group -

Mr VALENTINE - Oh, just -

CHAIR - You have, Mr Valentine?

Mr VALENTINE - So we can't go to Macquarie?

CHAIR - That's in capital investment, I believe.

Mr VALENTINE - It can go down there?

CHAIR - Is Macquarie Point in capital investment? It is.

Mr VALENTINE - Okay, that's fine.

90.3 Business Support Loan Scheme -

CHAIR - So 90.3, which is Business Support Loan Scheme interest costs. This is probably following on from my previous question around the areas of responsibility. I note that there was \$1 million in 2021-22, and this is in response and recovery post-COVID. Then there's \$500 000 in 2022-23. Can I have some indication if that's interest? It says it's interest costs.

Mr EVANS - The TD board borrows through TasCorp, and it costs us money. During COVID-19, a number of the loan schemes that we operated had zero or very much reduced interest costs, and so that allocation accounts for the very real interest costs that are charged to the board to support those zero or low interest rate loans.

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CHAIR - Right. The decrease in allocation of interest cost, does that. I mean, obviously interest rates are on the rise. So does that mean that there'll be less loans, potentially, for the 2022-23 financial year, given that it's half the cost in this budget of what it was last year?

Mr EVANS - Most of the loans will get paid out in a short period of time.

CHAIR - Right.

Mr EVANS - Particularly those emergency loans are low-interest loans.

CHAIR - So you're not expecting to see an increase in those people seeking loan support?

Mr EVANS - No.

CHAIR - Hence the loan interest rate. That's the question.

Mr EVANS - So in a usual world, we would offer loans at the cost to us plus an administration fee. Those amounts you talk about, the late loans that were particular to the circumstances with COVID -19.

CHAIR - With COVID.

Mr EVANS - The need to support businesses through that very difficult period.

CHAIR - Right, thank you. No, that's just a clarification. As I said, we always like to address each line item as we make our way through your areas of responsibility, minister. I'll now move to capital investment. It's an allocation of \$33 500 000.

Mr BARNETT - Chair, while you're working that through, I've got an answer for the member for Launceston, on the Technopark. Could I just give you that in terms of you asked about the subdivision and consulting and who was consulted? So I'll just give you this advice I have been given.

Formal notification for the Technopark housing land supply order will involve letters to be sent to neighbouring residents as per normal planning processes. In addition, the order will be displayed at the Launceston City Council and the state planning office website. In addition to this, Communities Tasmania will provide project information to a wider mix of local residents for a letterbox drop, including businesses and local community groups. People will be invited to attend a public information session to discuss the order process. Project-specific information including the concept subdivision design will be included on the Communities Tasmania website. A government media release advising of the information session will be released closer to the date for the information. I hope that assists the committee.

Ms ARMITAGE - Thank you. Will it be in the local newspaper as well?

Mr BARNETT - I'm sure it would be, but I can take that on notice if it's not. We'll let you know.

Ms ARMITAGE - Yes, if you could, thank you.

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Mr BARNETT - Thank you.

CHAIR - Thank you, minister. Can I take you to the capital investment program and whoever you need?

Mr BARNETT - Yes.

CHAIR - Can you confirm that this wholly relates to the Macquarie Point Development Corporation, or if not, can you advise what it does relate to? Thank you.

Mr BARNETT - Thank you very much, Chair. The secretary is -

CHAIR - Getting some information.

Mr BARNETT - getting some advice. Chair, to be more specific, it does include a range of capital projects, I'm advised, including the northern suburbs facility which you were discussing earlier and the member for Launceston had an interest earlier. It covers stadiums as well, Chair, the development of those stadiums. So we can talk about anything that the committee would like to discuss.

CHAIR - Thank you. We might as well go to page 107 of budget paper 1, where it indicates that the 2022-23 Budget includes a contribution of \$37.2 million to the Macquarie Point Development Corporation.

Mr BARNETT - All right. So just a moment, we've got the secretary back at the table. Could you just give us the page number again for that?

CHAIR - It's page 107 of budget paper 1.

Mr BARNETT - Right. Thank you very much.

CHAIR - So if that \$33.5 million isn't all for Macquarie Point, where's the rest of that \$37.2 million coming from?

Mr BARNETT - Well, page 107, I've got Macquarie Point includes \$37.2 million contribution to the Macquarie Point Development Corporation.

CHAIR - That's right.

Mr BARNETT - The funding will support the next development stage by progressing remediation works and the establishment of key enabling infrastructure. Is that the question?

CHAIR - So I'm just trying to work out what is -

Mr EVANS - So that accounts for both capital and operating. So, there was an operating -

CHAIR - Allocation.

PUBLIC

Mr EVANS - allocation for the Macquarie Point Development Corporation. In terms of where you were before in terms of the capital, there's capital in there for Macquarie Point. In the outyears, the capital relates to funding for the Dial recreational facilities.

CHAIR - Penguin, yes.

Mr EVANS - Penguin, yes.

Mr BARNETT - Yes, north-west coast.

CHAIR - That's right. So how much of the \$33.5 million that's in this budget is for Macquarie Point Development Corporation? My reading is that there's an additional \$100 million to decommission TasWater's Macquarie Point waste water treatment plant. That's over the page.

Mr BARNETT - I'll just pass to the secretary, Chair.

Mr EVANS - I'll just wait until I get clarification.

CHAIR - We dare not challenge the money spent on the Dial complex. The honourable leader of our house would not be happy.

Mr EVANS - I understand. Okay.

CHAIR - Thank you, minister.

Mr EVANS - Thanks, Chair. I understand it now. So the Macquarie Point funding is in finance general, and the funding here relates to the northern suburbs multi-sports facility, and as I indicated, also the Dial Regional Sports Complex.

CHAIR - So is this committee not able to ask a question in relation to the Macquarie Point Development Corporation if it's not here, if it's in finance general?

Mr EVANS - The funding sits in finance general.

Mr VALENTINE - We can still ask questions, okay.

CHAIR - We can still ask questions, can we? Thank you. So my first question is how much has been spent to date at Macquarie Point, broken down by operating and capital expenditure?

Mr BARNETT - Madam Chair, the CEO of Macquarie Point Development Corporation is with us. If we could ask her to come to the table, that may assist the committee.

CHAIR - By all means, minister. Welcome, Mary.

Ms MASSINA - Thank you. The corporation received \$50 million from the Commonwealth in 2012 to establish the corporation and fund the remediation of the site. A decision was made by the Tasmanian Government at the time to expend \$5 million of these funds in developing the Brooke Street Pier, which was completed in 2014.

PUBLIC

Of the remaining \$45 million from the original Commonwealth funds, the corporation has spent the following: \$39 million on remediation, infrastructure and projects; and \$6 million on the operating expenditure of the corporation.

It's worth noting that the corporation has now achieved more than 85 per cent physical remediation of the site, with much of these works beginning after the planning scheme was approved for the site in October 2019 by the Tasmanian Planning Commission.

The corporation is now moving into its next life stage, with the confirmation of the Tasmanian Government's \$78 million funding contribution in 2021. This funding allocation over the three-year period will build upon the considerable work that has already occurred, supporting further release of land parcels to market, as well as continuing to support the property and construction industry through the creation of 9800 direct and indirect jobs during the public and private development of the site - and an additional 2300 jobs annually after that point.

CHAIR - Can I have the number of land parcels that have been sold to developers? Is that possible?

Mr BARNETT - I'm sure we can assist the committee with the progress of the developments, and the arrangements with relevant developers.

Ms MASSINA - Thank you, minister. It's worth noting that the site consists of seven distinct development areas. They include The Escarpment; The Precinct, which is the Antarctic and science precinct; The Gateway; The Promenade; The Goods Shed and yard; The Underground, which is the underground carpark; and the park, which is the 13 000 square metres worth of public open space in the middle of the site.

Each of those areas, as per the requirement from the legislation, with the exception of the public realm, will need to go through a competitive bid process. The corporation went through a process of a competitive bid for The Escarpment, which is 10 per cent of the entire site. It was announced last year that the preferred proponent, Milieu, was successful in that process. The corporation is currently negotiating the contract with respect to that particular development.

On 17 March last year, the corporation released a register of interest for The District. The District covers The Promenade, The Underground car park, and The Gateway, which is the parcel on the corner of Evans and Davies Street. So, that went through and out to market as a register of interest. COVID closed down the eastern seaboard at the time, so we did not progress into the competitive bid process.

Just before Christmas, the corporation took out the public-facing elements register of interest. We have some 34 000 square metres across the site for activation - either tourism, arts or culture. At the moment the board is taking time to consider how we progress into the next round of the competitive bid process for the public-facing elements component.

CHAIR - At this stage there hasn't been any private development on that site, is that correct? No private development?

PUBLIC

Ms MASSINA - We were successful in having a long-term tenant for The Goods Shed, which is a 1914 shed. That will see private investment of up to \$5 million in the shed, as well as Hobart Brewing Company taking over the tenancy, along with around 12 other southern-based tourism industries and companies coming into the shed.

Ms HOWLETT - Minister, could you please update the committee on the progress of the first land release at Macquarie Point, The Escarpment?

Mr BARNETT - Yes, and thank you for the question. That was touched on earlier, with Milieu as the developer of The Escarpment. I had the opportunity to meet the CEO, Michael McCormack, just some weeks ago to hear about their plans -

CHAIR - Not *the* Michael McCormack?

Mr BARNETT - He's not the politician, who I know well, and I congratulate on his re-election and appointment to the shadow ministry. A very good man.

This developer, Michael McCormack, is likewise a good man with a big vision for Milieu - a \$100 million investment plan. The long and the short of it is that they are looking for a development application to go into Hobart City Council in the second half of this year, the coming months.

They have a big vision. If you look at it in the context of Macquarie Point, with over nine hectares, obviously that's a huge parcel of land. There's a lot of extensive complex remediation work required. Being a former industrial site, it has to be prepared for future development. The master plan did allow for this, and the first parcel of land, The Escarpment, and the preferred developer, was identified through that request for proposal, which the CEO referred to.

The opportunity covers just short of 9000 square metres of land, with building envelopes totalling 6676 square metres. The site falls under the Sullivans Cove Planning Scheme, administered by the City of Hobart as mixed use. Negotiations are now well underway. It's a boutique Melbourne-based developer, but I've met with Michael McCormack and they have big vision and a big plan, and I think it fits really neatly into the Macquarie Point plans and the master plan.

The proposal will incorporate a range of uses, including apartments, retail and hospitality. The development will also be widely accessible to the public, including a green roof providing 24/7 direct access from Mac Point through to the Cenotaph, through a second stair link as access. As Minister for Veterans' Affairs, I'm absolutely delighted to know of that access.

The Escarpment will also promote Tasmania's clean and green image, which is also important to me as Minister for Energy and Renewables, with all apartments proposed to be powered entirely by renewable energy. Other sustainability initiatives include a thermal green roof with rooftop solar, electric vehicle and e-bike charging and storage - so there you go, member for Hobart - and smart building design that reduces the buildings' overall energy consumption.

The development application, as I said earlier, is expected in the second half of this year and the coming months. There's a lot more to do, but it's great to see progress in that regard.

PUBLIC

CHAIR - You're on the ball. The member for Elwick rides a bike to work as well, you might be interested to know, minister.

Mr VALENTINE - In fact, he rides one to work and I don't, at the moment.

CHAIR - But you have a hybrid car, so you're halfway there. The member for Hobart with a question. Thank you.

Mr VALENTINE - Some time ago we had the celebrated development of Macquarie Point - the Truth and Reconciliation Park, the MONA vision. Can you give us an update as to where all of that is at? Are we on track to see that development occur, or has it changed significantly from that original MONA vision, if I can put it that way? Because people at MONA are engaged in helping to imagine that site. So could you give the public a good understanding as to whether or not that vision is going to be delivered?

Mr BARNETT - Thanks very much for the question. Certainly the master development, the master plan for Macquarie Point, it does provide that blueprint for the realisation for the MONA vision and allows the development of the site in a staged process. So that master plan is important. It provides a direction for the stages of construction to be undertaken across the site, ensuring alignment with the corporation's duties to the government and the broader expectation of the Tasmanian public.

The development of the Macquarie Point will deliver an exciting arts, culture, tourism and science precinct and will build on Tasmania's internationally renowned reputation. The vibrant extension of Hobart's CBD and waterfront is a one-in-a-lifetime opportunity set to deliver an extraordinary precinct for all Tasmanians and visitors for our island, and the master development plan essentially sets the framework for development of the site. Including what can and can't be built.

Buildings within the development areas include galleries, cultural spaces, cafes, restaurants, residential Antarctic science - which we've touched on - tourism and office complexes. It sets out other requirements, such as green roofs, building setbacks and the like to ensure amenity to the area and public open space, which I think you've touched on in your question.

I could go on, but I think they are the main points. I will check with the secretary if you wanted to add to that before - I'm happy to answer any further questions.

Mr EVANS - No, minister, I don't think I need to add, other than to say the master plan gives effect to the commitments made by the government arising out of the - or the support provided by the government arising out of -

Mr VALENTINE - The vision.

Mr EVANS - that MONA vision. Which, as it relates to the Macquarie Point development sight - understanding that the MONA vision was a lot broader from that, and extended beyond the lands owned by the Macquarie Point Development Corporation. So the master plan is really important, because it's the planning document that enables us now - as the CEO said - to take to market the various parcels to now develop in accordance with the MONA vision.

PUBLIC

Mr VALENTINE - All the projects which were noted in last year when we dealt with this, the roundhouse remediation and bulk earthworks, has that been completed at this point?

Mr BARNETT - Could I just check through you, Chair, to the CEO? You can speak into the microphone and just go.

Ms MASSINA - Certainly. The roundhouse remediation and bulk earthworks is completed.

Mr VALENTINE - Yes. The stair link between the cenotaph and the site, I think that's completed?

Ms MASSINA - That's correct.

Mr VALENTINE - Conclusion of the sail approach to the escarpment, that's completed. The gateway feasibility work for remediation for the former gasworks?

Ms MASSINA - It has commenced.

Mr VALENTINE - Okay. The Hobart main sewer re-alignment.

Ms MASSINA - It has commenced, and the tender has just closed on that construction work.

Mr VALENTINE - The design of the park, the Truth and Reconciliation Park, the design phase of that? How is that going?

Ms MASSINA - Yes, it has commenced. We have conducted two of the co-design workshops with representatives from the Aboriginal community. The third one should be coming shortly.

Mr VALENTINE - The \$100 million for the replacement - what do you call it?

CHAIR - Treatment plant?

Mr VALENTINE - Moving the wastewater treatment plant away from that site to some other site, possibly Selfs Point I imagine. Yeah, so where's that at?

Mr EVANS - So through you, minister.

CHAIR There's a \$100 million funding grant for that on budget paper 1.08.

Mr EVANS - So the work associated with that, as you'll appreciate is quite complex. Macquarie Point Development Corporation are working closely with TasPorts, TasWater, Hobart City Council and my agency around that body of work. I met recently with the CEO of TasWater who assured me that the business case and plan for that work, including the development of Selfs Point, will be going to his board shortly. My understanding is probably in July.

PUBLIC

Mr VALENTINE - You can appreciate that people have been hearing about this for a long time. I remember it being on the radar of the Hobart City Council way back in the mid, you know, 2004 or 2005 or something. I was very keen to understanding how far on that is, and is it definitely going to happen is the question.

CHAIR Is it definitely going to happen?

Mr BARNETT - It's part of the plan. As a new minister I'm absolutely committed to implementing the plan.

Mr VALENTINE - Okay.

CHAIR - With regard to the sewerage spill from the Macquarie Point wastewater treatment plant, will the costs associated with this all be met by TasWater, and if not how will the costs be met?

Mr BARNETT - I am advised that that's a matter for TasWater.

Mr VALENTINE - Yes.

CHAIR - So they are going to cover the costs? There's no issue? There's no impact on Macquarie Point for this?

Mr BARNETT - I think - do you want to speak to that, secretary?

Mr EVANS - My understanding is that that will be TasWaters' responsibility. There's no liability on the Crown or the corporation.

CHAIR - That was the question. I just didn't use that 'liability' word. Thank you for that.

My next question is about the salaries of senior staff, so if that's possible to have, what are the salaries and the number of senior staff over the last three years including bonuses and other benefits, thank you? We're happy to have that tabled if -

Mr EVANS - Through you, Chair, we report annually on this in our annual report. I can repeat to you what's in our annual report or table the information.

CHAIR - The tabling of the information is absolutely fine.

Mr BARNETT - We're happy to do that, Chair.

CHAIR - Absolutely fine. So as you can appreciate, members - particularly independent members - we don't have staff who are able to pull these documents out at the drop of a hat.

Mr EVANS - No problem. If I can just add through you, minister, we don't get any bonuses.

CHAIR - You're not a senior staffer at Macquarie Point, so of course you don't. It was to do with Macquarie Point Development Corporation, that's the question, not your department.

PUBLIC

Mr EVANS - I could repeat the answer as it relates to the Macquarie Point Development Corporation as it also publishes an annual report.

CHAIR - Right, thank you. Members, are there any further questions in regard to that capital investment program of \$33.5 million in this year's budget?

Mr VALENTINE - I'm just assuming that it's part of \$33.6 million in the forward estimates that was mentioned last year, so we can expect more going forward.

Mr BARNETT - Thank you for the question. I think the answer is yes.

Mr VALENTINE - It's a statement, isn't it?

Mr BARNETT - Yes, I think the answer is yes.

Mr VALENTINE - I know. I was just after confirmation.

Mr BARNETT - Yes. So there's a lot more work to do and I appreciate that. That's a note of affirmation. Thanks, Chair.

CHAIR - All right, thank you very much. Now we move to minister for Veteran's Affairs. So you may well need to change some team at the table, minister.

Mr BARNETT - If that's possible.

CHAIR And would you like just a brief -

Mr BARNETT - A three-minute break?

CHAIR So can we suspend the broadcast? Thank you,

The Committee suspended from 5.39 p.m. to 5.42 p.m.

CHAIR - Thank you, we're back. Yes. So please, go again.

MINISTER FOR VETERANS' AFFAIRS

Mr BARNETT - Thank you very much, Chair. So I want to introduce Kate Kent, Deputy Secretary, Department of Communities, Sport and Recreation, and in a couple of moments to introduce Veterans' Affairs.

CHAIR - Absolutely. We know what your connection is to this portfolio, and I expect if the new Premier even thought about taking this away from you that you would have stepped aside from your entire position.

Mr BARNETT - Thank you, Chair. I would say at the forefront today is 6 June, D-Day. D-Day, Chair. So 6 June 1944. 78 years ago, allied forces launched a combined naval, air, and land assault on Nazi occupied France. That was the day, the beginning of the last chapter of World War II. We just say thank you to our Veterans and our ex-service personnel for their service and sacrifice. I say that upfront. We've got 10-and-a-half thousand veterans around

PUBLIC

Tasmania, and their families, of course. From the Boer War to Gallipoli, right through to modern day Middle East, Tasmanians have played their part with courage and distinction.

Anzac Day is one of the nation's most significant occasions. Everyone around this table would agree with me on that. It was excellent to see the community respond so positively post the COVID interruptions, which were quite significant. It was one of the big events on this year. So 107-year anniversary since landings of Gallipoli during the First World War. First year of the withdrawal from Afghanistan, a 20-year conflict, ending Australia's 20-year large scale military commitment in the Middle East. The 50th anniversary of the withdrawal from Vietnam, and the 80th anniversary of many World War II battles. And, the 80th anniversary of the going down of Teddy Sheean VC on 1 December 1942.

So I just share that in terms of the context, and I want to say thank you to the RSL Tasmania and the various sub-branches of the RSL all around Tasmania for what they do. They recently had their state congress, which I attended the Friday night dinner and the congress on the Saturday, on the Sunday. \$100 000 to the Vietnam Veterans' Association for the retreat at Dago Point. That's to help with the health and welfare of our younger Veterans. That's on top of the \$100 000 we provided prior to that.

We've got the Wellbeing Voucher Program to support our Veterans and our sporting organisations around the place, around Tasmania. The Headstone Project, big shout out for the wonderful work that they do. Andrea Gerrard and the team.

Mr VALENTINE - Andrea Gerrard. Absolute champion.

CHAIR - I absolutely support that.

Mr VALENTINE - Absolute champion.

CHAIR - She's a treasure.

Mr BARNETT - She's amazing, and I'm so grateful for the wonderful volunteer effort.

CHAIR - And her wonderful husband who supports her every step of the way.

Mr BARNETT - Let's acknowledge her wonderful husband.

Mr VALENTINE - That's exactly right.

Mr WILLIE - They're all constituents of Elwick.

Mr BARNETT - There you go. We've got unanimous support around the table on that one.

Mr VALENTINE - We own the champions, don't we?

Mr BARNETT - There you go. Yes. So look, the Frank MacDonald Memorial Prize is really important. A fantastic investment in younger Tasmanians, young students coming through. Just to conclude, the Legacy Hobart and Launceston \$40 000 a year, which is now provided over the next four years and going forward. So I'm excited by that as well, because

PUBLIC

my grandfather was president of Hobart Legacy, so a little bias there. I do acknowledge the federal government's \$5 million - yes, \$5 million commitment to establish the Veterans Wellbeing support services, and there's a lot of good work happening there now. We've got a Veterans Employment Strategy for Tasmania coming out in the not too distant future. I acknowledge the Veterans' Reference Group and the good work which they do.

Finally, I want to say the Royal Commission into Defence and Veterans Suicide is coming to Tasmania, so I'm giving everyone a heads up. It will not be easy. So that will commence at the beginning of August, and brace yourselves for evidence that will be provided from our Veterans in terms of the very difficult time that they've had and that they continue to have. So we need as a community to do everything we can to support them and their families. Thank you.

CHAIR - Thank you very much, and I appreciate all those significant milestones that you made us aware of, and again acknowledge your work with our Veterans and the RSLs that we have around the state, and I'll ask Mr Willie to open the questions. Thank you.

Mr WILLIE - Thank you, minister and Chair. How many Veterans have accessed the \$100 Veteran Wellbeing Voucher Program over 2021-22?

Mr BARNETT - Good question. The answer is not very many because it's only recently been launched.

Mr WILLIE - Yes.

Mr BARNETT - In fact at the Launceston Croquet Club many weeks ago. But I'll just see if Kate Kent can give an update on that.

Mr WILLIE - I've got a few questions, so I might ask those and you'll probably address them too. Once they're approved, it's my understanding the Veterans go on the Communities website to log their postcode and then find an active provider. How many active providers are there statewide? I've got some advice here that some areas have only one provider or none. There's no provider for Longford, a handful for Launceston and a handful for Hobart. So are you looking to expand the active providers available to Veterans accessing the program?

Mr BARNETT - Thanks very much for the question. Kate Kent.

Ms KENT - Through you, minister. So as at 1 June, there were 24 vouchers that had been issued to Veterans. At the same date, there's 28 sporting clubs and gyms which have registered to be active providers, and there's a further nine which are currently being assessed.

Mr WILLIE - Right.

Ms KENT - The answer to your third question, if there are providers that want to register, then certainly they can get in touch with us and we can talk them through the registration process. So wherever they are. So, I guess that's the question.

Mr WILLIE - Yes, if we could have a list of the providers, that would be good. Through the Minister, is the Department actively contacting potential providers in areas where they might be a bit thin on the ground?

PUBLIC

Ms KENT - Certainly we've advertised it through a number of our networks, including our sport and recreation network, as you know, through our other portfolios, through all of the RSLs and the other ESOs. So again, we're hoping - and through all of other social media channels as well. So we're hoping that it is getting out there. Certainly, the lists that I have, those 28 providers are through the south, the north, and the north-west. As you said, I think it was Longford that you mentioned, I can't see anyone there from Longford, but we're happy to get in touch with the provider that you're speaking about and find out a bit more.

Mr WILLIE - No, I'm saying there isn't one in Longford. That's what I say.

Ms KENT - Yes, that's right. There may be other ones close to Longford though, so.

Mr WILLIE - Perhaps with the minister's permission you could table them at the providers?

Ms KENT - You can. That's effective as of 2 June.

Mr BARNETT - I'm more than happy to table that and encourage all around the table to promote the program to your local veterans and your local providers. I encourage all members of parliament to do that. I'm more than happy to table that.

CHAIR - We might need a few more providers in the areas that I represent, minister.

Mr BARNETT - Yes, for sure. It's a good outcome for them, they get some funding support through the program.

Mr WILLIE - I spend quite a bit of time in the Lenah Valley RSL. That's no reflection on me, but it'd be good to know what the local ones are so I can mention that when I'm there.

Mr BARNETT - Yes. That'd be great. Thank you.

Ms KENT - In some of your electorates, the Glenorchy City Tennis Club for example, assisted.

Mr BARNETT - It's fair to say the department wrote to the providers before the program was launched.

Ms KENT - Yes, we did, through all of our networks, as far and as wide as we could. We're happy to talk to anyone.

CHAIR - The honourable member for Launceston has a supplementary question.

Ms ARMITAGE - That was along the lines of my question about whether they were approached. At Launceston City Council's aquatic centre and gym, the \$100 mightn't go that far, but there would be some sessions. Does it have to be a membership, or could it be for a certain number of swims? How could it work?

Mr BARNETT - Kate, is that something you could give to the Chair?

PUBLIC

Ms ARMITAGE - Would the council have been approached? Would they have been written to, as a service provider of health and fitness?

Ms KENT - I'll take that on notice and check whether we contacted all of the local government authorities.

Ms ARMITAGE - Particularly in the case that they have a pool and a gym.

Ms KENT - Yes.

Ms ARMITAGE - I know that there are some veteran facilities up there. Not everyone plays croquet or would go to the other gym. Parking is an issue for the city areas.

Mr BARNETT - The point that Kate Kent was making was that the Department of Sport and Recreation has a lot of contacts. They've been able to write to those various organisations in the sport and recreation sector. You would assume that in Launceston the aquatic centre would be on that list.

Ms ARMITAGE - That's what I was just wondering. When I look and I see the North Esk Croquet Club, St Leonards Croquet Club and Health & Fitness World, it seems funny there are only three.

Mr BARNETT - They have to register.

Ms ARMITAGE - I appreciate that, but I would've thought that if you contacted them you would think that the majority -

Mr BARNETT - You would think, wouldn't you?

Ms ARMITAGE - or certainly a lot. If they're going to get members coming and staying and renewing once they've had a taster.

Ms KENT - That's right. Like I said, 12 gyms have registered, 11 bowls clubs, croquet clubs -

Ms ARMITAGE - This is state wide you're talking?

Ms KENT - State wide, yes. What we've found, similar to the Ticket to Play program, is that they generate interest. As clubs find out about other people attending one they tend to then get in touch with us. It's a cumulative impact. We follow it up with associated contacts as well.

Ms ARMITAGE - How long will it be going?

Ms KENT - Over a two-year program.

Ms ARMITAGE - When you say cumulative, there needs to be time for them to register. I wasn't sure if it was 12 months?

PUBLIC

Ms KENT - There's no deadline placed on how soon they have to register for it. They can continue to register as can the veterans.

Ms ARMITAGE - It will continue to roll out for the two-year period?

Ms KENT - Yes, that's right.

CHAIR - Is there a question outstanding? Or an answer outstanding that you have?

Ms ARMITAGE - I would like to know if Launceston City Council was contacted.

Ms KENT - I'll double-check that they were specifically.

Ms ARMITAGE - I will forward it on.

Mr BARNETT - We can take that on notice.

CHAIR - Thank you. I'm making sure that our secretary was aware of the question.

Ms KENT - I'll try to find out while we're talking here.

Ms ARMITAGE - I think areas like that would be convenient for some of these people to go to.

CHAIR - Thank you. Supplementary, Mr Valentine.

Mr VALENTINE - Yes. If you look at last year's budget papers for this particular line item, the forward Estimates show \$593 000, \$596 000, \$596 000. Yet in this forward Estimates it's \$609 000, \$621 000, \$629 430. I know it's going to go down at the end, but why more this year than last year to the tune of \$16 000, \$25 000, \$25 000 in the first three years of the cycle? Last year's paper shows that Veteran's Affairs for 2022-23 was \$593 000. In these papers it's \$609 000. The following year was \$596 000, and in these papers it was \$621 000. Then the following year is \$596 000 and it's \$621 000 again.

CHAIR - Generous Government.

Mr VALENTINE - Why is there a difference there? How might you reconcile that?

Mr BARNETT - Kate, do you want to?

Mr VALENTINE - It might be the program you're talking about and the extra cost, I don't know.

Ms KENT - Sorry, Mr Valentine. I'm just checking the figures. Our funding in the Veteran's portfolio is relatively consistent. The budget for this year's actually slightly less than last year because a number of them were one-off 2021 election commitments.

Mr VALENTINE - But it's not less, that's the point.

PUBLIC

Ms KENT - Then some of the funding has been rolled over. The funding, for example, in these veteran's vouchers that we allocated for this year that we haven't yet spent -

Mr VALENTINE - So that's been rolled over?

Ms KENT - - - - will roll forward. So we don't lose the total amount. Sorry, I should've explained it to you.

Mr VALENTINE - And that's why there's a difference.

Ms KENT - Yes.

Mr VALENTINE - No, that's okay. You said it had gone down in the notes, and yet when you looked at it, it had gone up.

Ms KENT - Yes, it's gone down slightly because of one-off commitments that were made in this year. You're right, the rollover for these programs that are across a number of years has been rolled forward.

Mr VALENTINE - That explains it. Thank you very much.

CHAIR - Thank you. Ms Howlett, and then I'll go to Ms Armitage.

Ms HOWLETT - Thank you Chair. Minister, Tasmania has more than 10 500 veterans and ex-serving personnel. What support is the Government providing to this important cohort?

Mr BARNETT - Thanks for the question. A lot, thanking them for their service and sacrifice. Mental health and wellbeing should be at the front and foremost. This Budget recognises that. We have the funding support for RSL Tas, the Teddy Sheean VC Memorial Grants, which is really well appreciated. Let's hope that will continue on and on.

CHAIR - It should while you're minister.

Mr BARNETT - We have the Veteran Wellbeing Vouchers, which we've been discussing. RSL Tassie is the peak body. In addition, we have the Frank MacDonald Memorial Prize group funding support, \$40 000 for Legacy Hobart and Launceston. Individual RSL sub-branches and clubs have received \$417 746 in funding for a range of projects.

CHAIR - Is there a list of those available?

Mr BARNETT - I'll check with Kate Kent. I'd imagine we could assist with that. We have \$100 000 funding for the Vietnam Veterans Association for the Dago Point Retreat at Lake Sorell, now another \$100 000. That's encouraging to see the young veterans using it, and very positive feedback about that active recreation. We have \$225 000 for the Veterans Active Recreation Program. That's getting veterans into the natural environment in our natural parks and reserve areas with planned treks, walking, that sort of thing. The other thing to note, as I've said, is the federal Government's health and wellbeing funding support of \$5 million plus. I acknowledge Gavin Pearce for his work there. He's led the charge to help secure that funding for Tasmania. I thank Darren Chester and Andrew Gee, former ministers, for their support for that funding. I'll see if Kate can help.

PUBLIC

CHAIR - Thank you. I think Kate has a list.

Ms KENT - The lists of all of our grant program recipients are on our website. There's the Teddy Sheean round two and round one.

Ms HOWLETT - Thank you.

Mr BARNETT - Do you want me to table that, Chair?

CHAIR - That'd be lovely.

Mr BARNETT - Thank you.

CHAIR - Thank you, much appreciated. Thank you. Ms Armitage?

Ms ARMITAGE - Thank you. I want to clarify this because as a patron of the National Servicemen, when I have our meeting I want to be able to make sure I don't give them any incorrect information. You mentioned when I asked about things like the aquatic centre, that they could go and swim. It says on your website, 'The Veteran Wellbeing Voucher Program offers eligible veterans a \$100 voucher to help offset the membership or registration fees'. Obviously a certain number of swims at the aquatic centre is neither a membership nor registration fee. So it would have to be a registration?

Ms KENT - That's right. So if the aquatic centre, like Hobart Aquatic Centre, has a gym that you can join and have membership to.

Ms ARMITAGE - It'd be more expensive than \$100; I can assure you.

Ms KENT - Sure. In some cases that would be the case. Then they could apply to be an activity provider, and a veteran who attended the gym at the aquatic centre - which includes swimming access as well - would get \$100 off their membership at the gym, that's correct.

Ms ARMITAGE - The other thing that, for an example, the aquatic centre do, you can go for a shorter period. You can go for maybe a month, which might be that amount. So they can't do that, then they can't sign up. It's not a registration but it would actually pay for that amount if a veteran decided to go to use the pool and use the gym, it might be, you know, \$4 a day, \$5 a day, a certain amount for a concession. It might even be more than that, I think.

But \$100, they can't - the \$100 voucher made out for example to the Launceston Aquatic Centre, that they could use that for swims exercise. It's just that if I bring it up at the meeting I don't want them to say, you know, 'it's going to cost me X amount, there's no way this \$100 off is going to help', whereas it would help them if they could have a voucher to the aquatic centre for maybe \$100 and go and have some swims and then perhaps decide they like and continue on then maybe one day a week or something like that.

It would just be more beneficial and I think more people - well I know the gentleman and the national serviceman that I am patron of - the youngest would be in their late seventies. So they're certainly not looking to have active gym, but something like a pool activity, I'm sure they would enjoy. So that doesn't come within it - it can't be -

PUBLIC

Ms KENT - Through you, minister. Well, in the current criteria it is based on membership. So it is meaning that people are joining up to get a membership at a gym. We're very happy to look at the criteria as the program progresses to see how it could be adjusted and modified, and if that's the feedback, that there needs to be some other approach to subsidising those sorts of memberships that may not be -

Ms ARMITAGE - Well if you're not getting an age group in that older age group which would be really nice to keep them fit and healthy, and dare I say, a bit like the YMCA. When I've been out there a few times, the people that were going there were from 60 probably to 90, saying it how it kept them out of hospital.

CHAIR - Quite young.

Ms ARMITAGE - But the exercise programs, and I've just thought for that cohort, that have done a lot for the state, that they can't get it unless they register or sign up, it's a bit much to expect of an age group in their 80s or 90s.

CHAIR - It sounds like you might change the parameters, minister?

Ms ARMITAGE - If you could look at them?

Mr BARNETT - Well can we just take it on board? I hear where you're coming from, and I know you're totally 100 per cent motivated with good intent, but the whole point of this program was to provide an incentive to get them out and about, and encourage health and wellbeing.

Ms ARMITAGE - Well that's why I'm thinking of the oldies.

Mr BARNETT - At the end of the day it's not a bottomless pit, so just bear that in mind when you're talking to your senior residents.

Ms ARMITAGE - Well they only meet every couple of months now, because they are getting older and -

Mr BARNETT - I know. I've met some of them more recently. Very good people and they have done so much for their country.

Ms ARMITAGE - They've done a lot.

Mr BARNETT - So look, we're just doing what we can. Of course this is primarily a federal government thing in terms of veteran support, we should always remember that. But we are doing what we can at the state level.

Ms ARMITAGE - No, thank you, minister.

CHAIR - Thank you. We now move to output group 90, which is the COVID-19 response and recovery, 90.9, Returned Service League support - valuable support, minister - and I'd like to invite Mr Valentine, to ask the first question.

PUBLIC

Mr VALENTINE - Yes. So in last year's papers - p45 - RSL Tasmania peak body. 'Funding over four years from 2021-22 including indexation will be provided to RSL Tasmania to support Tasmania's veterans and ex-serving personnel'. And yet -

Mr BARNETT - What page was that on?

Mr VALENTINE - This is on last year's budget papers, p45, all right?

CHAIR - He doesn't throw anything out.

Mr VALENTINE - But the problem is that there's no forward estimates in this.

Mr BARNETT - Yes, all right. Sorry, what's the question again?

Mr VALENTINE - I'd say it's possibly an anomaly here in the actual print in last year's paper, because it just says 'funding over four years from 2021-22 including indexation will be provided to RSL Tasmania to support Tasmania's veterans and ex-serving personnel'. But there's no forward estimate, and it's only a one-off \$22 000.

Mr BARNETT - Can I assist you there?

Mr VALENTINE - Yes, you can.

Mr BARNETT - So my advice is - and I'll check with Kate Kent - but we provide the peak body funding for RSL Tasmania, more than \$110 000 a year indexed annually, and then there's the \$50 000 a year public funding.

Mr VALENTINE - Yes.

Mr BARNETT - So the government continues to index the funding for RSL Tasmania bringing the peak body funding to \$117 594 in 2021-22, and \$223 179 in 2022-23, as well as that \$50 000 a year for that special project.

Mr VALENTINE - No, in the sense that there's no money going forward. But I think there must have been a little bit of a - shall I say it must have been included in the bulk of the funding, not in that single line -

CHAIR - This is the COVID-19 response.

Mr BARNETT - Yes. So the COVID response, I can tell you, we really - not broke our backs, but we did everything we could to help the RSL and their branches during COVID.

Mr VALENTINE - And \$22 000 was enough?

Mr BARNETT - Well I think we've got a breakdown, if you'd like, of the COVID funding support for our RSLs, which I can say was very significant because we did respond to their needs. Because, you know, they couldn't get people to their RSLs and they couldn't make any money.

Mr VALENTINE - No.

PUBLIC

Mr BARNETT - So we wanted to keep them going and provide that support. I'll just pass to Kate Kent.

Ms KENT - Yes. So thank you, minister, and probably just to clarify there is the ongoing funding for RSL as a peak body, and then in the previous year there was the COVID-19 funding, which was to help RSL clubs to retain staff, those that had them, in that delivery of clubs. The \$22 000 that's referred to in our budget papers here, the \$23 000 is actually a remainder of what was - I think it was almost \$420 000 - I think it's \$417 000.

CHAIR - So there's still opportunity to use that \$22 000.

Ms KENT - That's just a small amount leftover from that program, and again on our website is the COVID-19 grants program, and you can see the large number of clubs which were provided with support for lost income as a direct result of COVID-19, primarily obviously in 2020.

Mr VALENTINE - Okay. That's fine.

Ms KENT - So that's the explanation.

CHAIR - Does that explain it?

Mr VALENTINE - Yeah, that's fine.

CHAIR - Thank you.

Mr VALENTINE - There's nothing else.

CHAIR - Would the member like a copy of that list?

Mr VALENTINE - If it's handy.

CHAIR - It's very handy, it's in Kate's hand.

Mr VALENTINE - Yeah, that'd be good.

CHAIR - Thank you. This is all valuable information.

Mr BARNETT - That's all right, Chair, over to you.

CHAIR - Thank you. Ms Howlett?

Ms HOWLETT - Thank you, Chair. Minister could you provide the committee with an overview of assistance provided to our RSLs and ex-serving organisations?

CHAIR - So that's part of the \$417 000?

Mr BARNETT - Yes. Well I think I've summarised a great amount of assistance already, but just to be clear it was short of half a million dollars during COVID-19.

PUBLIC

CHAIR - There's \$22 000 left.

Mr BARNETT - Thank you, Chair. So at the state election we made that commitment and we continue to provide that support across the community for those RSLs. They've got the Teddy Sheehan VC Memorial Grants, and I think we've tabled the list of those grants.

CHAIR - We have.

Mr BARNETT - So hopefully that's of assistance to the committee. I'm not sure I can add too much more to that, other than the fact that we do really everything we can - and other members around this table likewise provide support to our veterans and their community, and for that I just want to say thank you.

Ms HOWLETT - Thank you.

CHAIR - Thank you very much.

Mr VALENTINE - Well they've risked a lot for us.

CHAIR - Yes, they certainly have. So, minister, we have come to the end of our scrutiny for today.

But in all seriousness, minister, you've had quite a team with you today and we would particularly like to thank you and your team for the work that you're doing preparing the information that the committee is seeking, through this really valuable estimates process, albeit that the member of Elwick's not sure that we get as much value out of it as we should or could.

But on behalf of the committee thank you very much, and we know that you're on again tomorrow and then you've got some important meetings. We'd also like to welcome Laura to our Hansard team. She relieved Lynn this afternoon. So welcome, Laura, and hopefully you're enjoying this part of the process.

So we shall conclude the broadcast, thank you.

The Committee adjourned at 6.10 p.m.