

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



20 November 2025

Hon Ruth Forrest MLC
Chair
Legislative Council Select Committee Estimates A
By email: jenny.mannering@parliament.tas.gov.au

Dear Ms Forrest

Appropriation Bill (No. 1) 2025

I refer to your letter of 17 November 2025 and provide the following responses to the questions taken on notice. I apologise for the delay in responding.

DIVISION 13 – DEPARTMENT OF TREASURY AND FINANCE

Output Group 1 – Financial and Resources Management Services

1.1 Budget Development and Management

1. Please provide a list of the election commitments that are included and those that are not included in the 2025-26 interim budget.

Answer:

The list of 2025 Election Commitments included in the 2025-26 Budget is set out on pages 10-13 of Budget Paper No. 2 Volume 1.

A full list of 2025 election commitments is publicly available at <https://tas.liberal.org.au/our-policies>

2. Please provide an explanation of how the Government made the determination to include those that were funded, and not others – ie. why were some prioritised for inclusion over others?

Answer

As noted during Budget Estimates, election commitments were included in the 2025-26 Budget on a case-by-case basis by the Government, noting the truncated timeframe available for development of the Budget.

Remaining election commitments will be considered as part of the 2026-27 Budget development process.

3. In relation to the whole of state business case for Marinus Link, please provide modelling on the projection that Hydro will return \$470 million to the state budget in future years.

Answer:

For clarification, the figure of \$470 million referenced during the Estimates Committee does not originate from the Project Marinus Whole of State Business Case (WoSBC). It comes from the Project Marinus Taskforce Final Investment Decision Assessment Report and was prepared for the purposes of that assessment.

The WoSBC analysis indicated that Hydro Tasmania's returns to Government could broadly double post commissioning of Marinus Link, noting the inherent limitations of modelling.

Key points about the WoSBC approach around Hydro Tasmania's modelled returns to Government include:

- Hydro Tasmania provided financial modelling across a range of scenarios (13 in total), underpinned by assumptions about future National Electricity Market conditions, supply and demand, weather patterns and water inflows.
- All scenarios showed increased revenue opportunities for Hydro from additional interconnection, but outcomes varied widely. For the purposes of the WoSBC analysis, Treasury adopted a mid-level projection.
- Treasury applied the current returns policy settings, including a 90 per cent dividend payout ratio and tax equivalent payments to Hydro's modelling to estimate indicative returns to Government.
- As outlined in Section 8.5.2 of the WoSBC, Treasury reviewed Hydro's assumptions for reasonableness (see Table 8.4) and noted the inherent limitations of long term modelling. Further context on Hydro Tasmania's modelling and its constraints is provided in Section 8.5.4.

Hydro Tasmania's financial modelling and inputs remain commercially sensitive and are the property of Hydro Tasmania.

4. What proportion of public sector wages is made up of Heads of Agency, SES, Specialist roles, Statutory Authorities and Commissioner remuneration and what is the total amount?

Answer:

SES positions comprise 1% of Tasmanian State Service positions by headcount, and individual salaries for key management personnel are reported in each agency annual report.

It is unfortunately not possible to accurately provide either the total amount or proportion of public sector employee costs specific to senior roles in 2024-25 in the time available.

In order to obtain this data, individual agencies would need to calculate this based on specific categories. This would be complex, as the number of senior positions and their associated costs, fluctuate over the twelve-month period.

For the purposes of context, General Government Sector employee costs (including superannuation) represent the single largest operating expenditure item for the Government.

For 2025-26, these costs are projected at \$4 895 million, accounting for 46.6 per cent of total expenditure, as detailed in the Budget Papers.

5. Can a breakdown of the total wage amount per category be provided (general public service, Heads of Agency, SES, Specialist roles, Statutory Authorities and Commissioner)?

Answer:

It is unfortunately not possible to accurately provide this information in the time available. In order to obtain this data, individual agencies would need to calculate this based on specific categories. This would be complex, as the number of senior positions and their associated costs, fluctuate over the twelve-month period.

The following information relating to headcount can be provided.

Table – SES, Equivalent Specialist, Prescribed Office Holders and Heads of Agency paid headcount, and associated salary ranges as of 30 June 2025

Officer Type	#	Salary Range
Head of Agency	16	\$221,729 - \$668,367
Senior Executive Service	214	SES1 \$156,075 - \$179,322 SES2 \$183,884 - \$211,305 SES3 \$221,729 - \$254,824 SES4 \$266,773 - \$319,906
Equivalent Specialist with SES equivalency	10	ES1 \$156,075 - \$179,322 ES2 \$183,884 - \$211,305 ES3 \$221,729 - \$254,824 ES4 \$266,773 - \$319,906
Equivalent Specialist - other	15	\$227,729 - \$501,204
Prescribed Office Holder	4	\$183,884 - \$535,493

Output Group 3 – Revenue, Superannuation and Regulatory Management Services

3.5 Administration of Grants, Subsidies and Concessions

1. Please clarify the modelling that was done with regard to the increased FHOG including inputs that were fed into that policy modelling including considerations of economic conditions.

Answer:

The Department of Treasury and Finance modelled the estimated cost of the increased First Home Owner Grant (FHOG) of \$30 000, from 1 July 2025 to 30 June 2026, to inform the 2025-26 Tasmanian Budget and Forward Estimates.

An Ordinary Least Squares regression model is used to estimate FHOG expenditure. This model has been created using actual data from the commencement of the FHOG in Tasmania, on 1 July 2000, to 31 March 2020 when Covid-19 began to impact data.

The model estimates FHOG expenditure using data that reflects current government policy for the value of the FHOG and Treasury's forecasts for relevant economic variables.

For the 2025-26 Tasmanian Budget, estimated FHOG expenditure is based on the following statistically significant variables over the Budget and Forward Estimates period:

- monthly FHOG grant value and a six-month lagged grant value;
- Treasury's forecasts for total employment in Tasmania;
- Treasury's monthly estimated ratio of the number of FHOGs for new homes compared to new dwelling approvals¹; and
- a dummy variable to account for the FHOG no longer being available for established homes².

The regression model is based on pre-COVID data to establish the underlying long-term relationships between relevant data. These relationships are applied to current and future estimated model input values to determine the Budget and Forward Estimates of FHOG expenditure.

Yours sincerely



Hon Eric Abetz MP
Treasurer

Date: 28 November 2025

¹ The monthly estimated ratio is calculated using average historical ratios of the number of FHOGs paid for new homes compared to new dwelling approvals, using monthly data since 1 July 2000.

² The FHOG was previously available for established homes from 1 July 2000 to 30 June 2014.