

DRAFT SECOND READING SPEECH

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Appropriation (Further Supplementary Appropriation for 2022-23) Bill 2023

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Mr Speaker

The Appropriation (Further Supplementary Appropriation for 2022-23) Bill 2023 seeks a supplementary appropriation of \$340.5 million out of the Public Account.

The funding is required to meet additional costs associated with a number of administrative and machinery of Government matters; the Government's ongoing response to COVID-19; a range of programs, important events and community support expenses; and to continue to deliver core services which are experiencing cost pressures and increasing demand. I will elaborate on each of these categories shortly.

The supplementary appropriation comprises \$332.6 million for operating services expenditure and \$7.9 million for capital services expenditure.

Almost 85 per cent, or \$287.8 million, of the total expenditure provided for in this Bill, relates to policy decisions and parameter variations already reflected in the Revised Estimates Report 2022-23, which was published on 15 February 2023.

Administrative Expenditure

Approximately \$69 million of the funding allocated in the Bill is required for administrative purposes. For the vast majority of these items, there is no, or limited, impact on the Budget position other than expenditure timing differences.

Items within the Bill (and reflected in the Revised Estimates Report) which fall into this category to be appropriated to Finance-General include:

- \$43 million to be paid through Finance-General to Homes Tasmania; representing the balance of the former Department of Communities Tasmania Specific Purpose Account that related to Housing Tasmania activities. These funds were transferred back to the Public Account on 1 December 2022;

- \$13.4 million for the payment of Interest on Sundry Deposits; which is offset by increased interest revenues in 2022-23; and
- \$480 000 for Tasracing reflecting the proportionate increase to TasRacing arising from increased Point of Consumption Tax revenues in 2021-22.

The following items are included in the Bill and will be appropriated to the Department of State Growth:

- \$10.7 million for the delivery of a common ticketing system covering all Tasmanian transport operators, including Metro Tasmania, which is fully offset by savings in Finance-General; and
- \$200 000 for the first year of funding for the Government's Small Business Growth Strategy Grant Program, which is offset by agency savings.

In addition to the above items, the Bill allocates \$908 000 to the Environmental Protection Authority to complete the fit out of its new accommodation in Hobart. Due to procurement delays, part of the original funding for this item was declared as a saving by the EPA at the end of the last financial year. This supplementary appropriation reinstates the original funding requirement.

COVID-19 Related Expenditure

As reflected in the Revised Estimates Report, this Bill allocates \$77.5 million for costs associated with the Government's ongoing management of COVID-19.

This funding comprises \$72.2 million to the Department of Health, including:

- \$50.9 million to meet costs related to vaccinations, testing, hospital and ambulance resourcing, and the purchase of equipment including personal protective equipment; and
- \$21.4 million to fund the Government's one-off \$2 000 COVID-19 Frontline Health Workers Allowance payment to more than 11 500 health workers.

Funding is also allocated in the Bill to Finance-General for COVID-19 related expenditures, including:

- \$3.1 million to meet hotel quarantine costs charged to the State by other jurisdictions in relation to the 2021-22 financial year;
- \$1.6 million to meet Tasmania's contribution to the Pandemic Leave Disaster Payment, which was extended to 30 September 2022 by the Australian Government; and

- \$450 000 to provide payroll tax waivers and grants to businesses in the tourism, hospitality and ancillary industries associated with the Payroll Tax Pandemic Order 2021.

Funding of \$177 000 is allocated in the Bill to the Department of Premier and Cabinet to fund costs associated with quarantine accommodation for seasonal workers due to COVID-19 restrictions.

Supporting the Community

The Bill includes funding for additional emergency response activities and community support over the course of 2022-23.

Funding to be appropriated to Finance-General includes the following items which were detailed in the Revised Estimates Report:

- \$11.3 million for the estimated costs of electricity concessions including the Winter Bill Buster discount; and
- \$200 000 to provide assistance to HomeBuilder and First Home Owner Grant applicants who were conditionally approved for grant funding, but who may subsequently breach one or more eligibility requirements as a direct consequence of their builder no longer being able to operate.

In addition, the Bill includes \$2 million to meet costs associated with debt servicing incurred by Homes Tasmania in relation to a loan of up to \$160 million in 2022-23 to support the delivery of its capital program.

Items in the Bill to be appropriated to the Department of Premier and Cabinet for emergency response activities and community support include the following items as detailed in the Revised Estimates Report:

- \$10.1 million for recovery activities to assist communities in the North and North-West of Tasmania impacted by the October 2022 flooding event;
- \$5 million to be paid to councils for the purpose of enhancing and improving open space initiatives for the benefit of local communities;
- \$227 000 for the West Tamar Council to support landslip remediation expenses; and
- \$898 000 for community recovery assistance in relation to the Hillcrest Primary School incident.

The Bill also appropriates \$250 000 to the Department of Premier and Cabinet to provide Emergency Response grants of up to \$25 000 to support small businesses impacted by severe weather in 2022-23.

The following items are also included in the Bill and will be appropriated to the Department of Justice:

- \$500 000 to meet costs associated with the WorkSafe investigation and Coronial Inquest into the Hillcrest Primary School incident; and
- \$1.1 million for financial support to consumers affected by building company insolvencies.

Supporting Business, Tourism, Hospitality and Events

The Bill reflects the Government's commitment to supporting business and industry through a range of programs and initiatives.

Items within the Bill to be appropriated to the Department of State Growth include:

- \$6 million to support Commercial and Industrial businesses to offset the impact of high wholesale electricity prices, with grants of up to \$20 000 for eligible businesses that have experienced demonstrated hardship;
- \$600 000 to meet costs associated with the Government's commitment to provide an Energy Saver Loan Scheme for Commercial and Industrial customers;
- \$20 million to provide a grant to Nyrstar as the State Government contribution towards the estimated \$400 million construction of a new Electrolysis Plant at its Hobart operation;
- \$2 million to provide a grant payment to Norske Skog Paper Mills as a State Government contribution towards projects proposed at the Boyer Mill site;
- \$500 000 for a grant to Waverley Mills to support roof repairs;
- \$500 000 to provide a grant to support and strengthen services provided by the Boag's Brewery Visitor Centre;
- \$947 000 to provide grant payments to support major events and partnerships, including \$150 000 for the Beaker Street Festival, \$450 000 for Motorsports Events and \$347 000 for the Unconformity Festival;

- \$2.1 million to provide grant payments to support Special Partnership events managed by Events Tasmania, including \$1.9 million for the Taste of Summer Festival and \$240 000 to the Western United Football Club to secure additional A-League games during 2022-23;
- \$1.3 million to provide a grant to the Tasmanian Hockey Centre to upgrade the playing surface and lighting to meet International Hockey Federation standards;
- \$400 000 for Marine and Safety Tasmania to undertake the required dredging of the Triabunna Port navigation channel;
- \$250 000 for a grant payment to Big hART to continue a program to support mental health, workforce engagement, prevention of violence and sustainability; and
- \$375 000 for a State Government contribution to the Georges Bay Multi-track upgrade project in the Break O'Day municipality.

The Bill also includes the following recently announced items:

- \$1 million for a range of workforce development initiatives and support measures for the tourism and hospitality sector;
- \$2.2 million for the Tourism Innovation Grant Fund which will provide grant payments of \$1 million to progress the restoration of the Steamship Cartela, \$1 million for the West Coast support program to drive continued visitation and \$200 000 for other strategic tourism enhancement initiatives;
- \$1 million to provide a grant payment to Visitor Experience Training to support the Government's ongoing commitment to enhance training opportunities within the tourism and hospitality sector;
- \$600 000 for a grant payment to the Cradle Coast Authority to support the completion of sections of the North West Coastal Pathway;
- \$1 10 000 for a grant to Basketball Tasmania for three Development Officers in the State's regions to promote community basketball participation;
- \$2.5 million as a State Government contribution to the George Town Council's Aquatic, Health and Wellbeing Centre;
- \$7 million towards the revitalisation of the Glenorchy Showgrounds;

- \$8 million for the design and construction of a contemporary Multi-Sport Facility in Hobart's northern suburbs;
- \$100 000 towards improvements of netball courts at Hoblers Bridge Rd in Launceston; and
- \$2 million for urgent maintenance at the Moonah and Clarence community sports facilities.

The Bill includes \$150 000 to be appropriated to Finance-General for Metro Tasmania's sponsorship of the JackJumpers.

Operational and Service Cost Increases

The Supplementary Appropriation Bill also includes the appropriation of funding to continue to deliver on core services which are experiencing cost pressures and increasing demand.

The following items are included in the Bill and will be appropriated to the Department of Justice:

- \$17 million for costs associated with the National Redress Scheme and compensation payments to victims of institutional childhood sexual abuse;
- \$15 million to meet increased costs of staffing within the Tasmanian Prison Service; and
- \$482 000 for the final payments under the Primary Producer Safety Rebate Scheme for farmers to implement safety measures that help reduce work-related injuries and deaths in farming.

The Bill includes the following items that address cost pressures and will be appropriated to the Department of Natural Resources and Environment Tasmania:

- \$2 million to address increased project costs for the implementation of the Container Refund Scheme; and
- \$1.3 million to complete the replacement of the Ben Lomond Shelter that was previously damaged by fire.

The Bill also appropriates \$5.9 million to cover the increased costs of workers' compensation within the Department of Police, Fire and Emergency Management resulting from increased claims costs and claims experience.

The Bill appropriates \$61.2 million to meet above-Budget wage negotiation outcomes for 2022-23. This funding reflects estimated increases to Government funded wage costs based on agreement negotiations at the time of the Revised Estimates Report 2022-23 and includes both one-off and base salary increases. The funding is initially allocated to Finance-General and will be transferred to all relevant agencies as soon as practicable.

The Supplementary Appropriation Bill also provides an appropriation of \$200 000 for the Department of Premier and Cabinet for the appointment of an independent Executive Program Director to commence the implementation of the recommendations arising from the Motion for Respect Report into Workplace Culture in the Tasmanian Ministerial and Parliamentary Services.

Conclusion

This Bill provides the resources required by agencies to meet increased demand cost pressures, facilitates changes in operational project delivery and supports important community recovery activities and industry and business initiatives.

In the interests of improved transparency, and to better facilitate Parliamentary debate and consideration of the Bill, I also table further information for Members in support of Schedule 1 of the Bill.

I commend the Bill to the House.